

P-W

COUNTY Apache AREA Dry Mesa Field LEASE NO. Navajo Tribe 138
WELL NAME ~~Monserato Co. California Petroleum Co. RIMS W CORP~~
Texas Pacific Coal & Oil 3 Navajo ~~Tribe~~-138
LOCATION SW SE SEC 2 TWP 40N RANGE 28E FOOTAGE 760 FSL 2035' FEL
ELEV 5674 GR 5687 KB SPUD DATE 5-23-60 STATUS Oil producing TOTAL
COMP. DATE 7-12-60 REPTH 5377 PB
CONTRACTOR 5411

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	x
9 5/8	987		NA	DRILLED BY CABLE TOOL	
5 1/2	5410			PRODUCTIVE RESERVOIR	Miss. <i>R. paradisi</i>
				INITIAL PRODUCTION	IP/PMP 194 BPOD & 48 BSWPD @ 24 hr test)

[illegible]

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG Lam Strat
Induction	5306-5329	5306-5329	SAMPLE DESCRIPT.
	4782-4794'	4782-4794'	SAMPLE NO. 618*
			CORE ANALYSIS
			DSTs x
			*Tuc 1187

REMARKS <u>Evidence of bond with BIA</u>	APP. TO PLUG _____
<u>waali plugged back & recompleted as gas well in P. Paradox</u>	PLUGGING REP. _____
	COMP. REPORT <input checked="" type="checkbox"/>

WATER WELL, ACCEPTED BY

BOND CO. Travelers Indemnity Co. (see file #77)
 BOND NO. 1307271
 BOND AMT. \$ 25,000 CANCELLED 9-30-75 DATE
 FILING RECEIPT 9224 ORGANIZATION REPORT x
 LOC. PLAT x WELL BOOK x PLAT BOOK x
 API NO. DATE ISSUED 5-9-60 DEDICATION W/2 SE/4

PERMIT NUMBER

(over)

[illegible]

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG

DESIGNATE TYPE OF COMPLETION:

New Well ☐ Work-Over ☐ Deepen ☐ Plug Back ☒ Same Reservoir ☐ Different Reservoir ☐ Oil ☐ Gas ☒ Dry ☐

DESCRIPTION OF WELL AND LEASE

Operator **Dry Mesa Corporation** Address **Box 5446, Farmington, NM 87499**

Federal, State or Indian Lease Number or name of lessor if free lease **14-20-603-4190** Well Number **#3** Field & Reservoir **Dry Mesa - Barker Creek**

Location **760' FSL, 2035' FEL, Sec 2, T40N R28E** County **Apache**

Sec. TWP-Range or Block & Survey **Sec 2, T40N R28E**

Date spudded **5/23/60** Date total depth reached **6/20/60** Date completed, ready to produce **8/5/91** Elevation (DE, RKB, RT or Gr.) **5687' KB** feet Elevation of casing hd. flange **5676** feet

Total depth **5411'** P.B.T.D. **4825'** Single, dual or triple completion? **Single** If this is a dual or triple completion, furnish separate report for each completion.

Producing interval (s) for this completion **4782' - 4794' Barker Creek** Rotary tools used (interval) **All** Cable tools used (interval) **-**

Was this well directionally drilled? **NO** Was directional survey made? **NO** Was copy of directional survey filed? **-** Date filed **-**

Type of electrical or other logs run (check logs filed with the commission) **CBL** Date filed **8/15/91**

CASING RECORD

Casing (report all strings set in well - conductor, surface, intermediate, producing, etc.)						
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled
Surface	13-3/8"	9-5/8"	32.3	974'	600	0
Production	8-3/4"	5-1/2"	14	5410'	500	0

TUBING RECORD

Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft)
2-3/8 in.	4750 ft.	4750 ft.	- in.	- ft.	- ft.	-	-

LINER RECORD

PERFORATION RECORD				ACID, SHOT, FRACTURE, CEMENT SQUEEZE RECORD		
Number per ft.	Size & type	Depth Interval		Amt. & kind of material used	Depth Interval	
2	4"	4782' - 4794'		2500 gal 15% HCL	4782' - 4794'	

INITIAL PRODUCTION

Date of first production **8/30/91** Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump:) **Flowing**

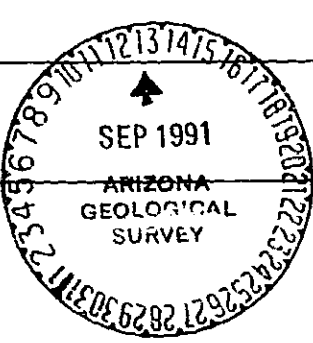
Date of test **8/31/91** Hrs. tested **24** Choke size **14/64** Oil prod. during test **0** bbls. Gas prod. during test **800** MCF Water prod. during test **0** bbls. Oil gravity **-** *API (Corr)

Tubing pressure **800 psi** Casing pressure **PKR** Cal'ed rate of Production per 24 hrs. **0** bbls. Gas **800** MCF Water **0** bbls. Gas-oil ratio **-**

Disposition of gas (state whether vented, used for fuel or sold): **SOLD**

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the **Geologist** of the **Dry Mesa Corporation** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date **9/4/91** Signature **Robert J. Hanks**



Permit No. **115** STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Well Completion or Recompletion Report and Well Log Form No. 4 File One Copy

COLEMAN OIL GAS, INC.
Dry Mesa #3
760' FSL 2035' FEL
SEC 2, T40N, R28E

P/N 115

SURFACE CASING
9 5/8" CSG. @ 974 FT. KB
CEMENTED WITH 600 SXS

PRODUCTION CASING
5 1/2", 14#, J-55, @ 5410 FT KB.

TUBING STRING
140 JOINTS 4300.89 FT.
TUBING ANCHOR
10 JOINTS 310.81 FT.
SEATING NIPPLE
PERFORATED SUB
2 JOINTS 63.27 FT.
TAPPED BULL PLUG

TOP OF CEMENT @ 4200 FT. KB.

2 7/8" SN @ 4624.50 FT. KB.
2 7/8" ANCHOR @ 4310.89 FT. KB.
2 7/8" BTM TBG @ 4691.10 FT KB.
SN 2.24 I.D.

PERFORATIONS @

4418-4424
4494-4514
4560-4565
4586-4594
4602-4606
4636-4640
4646-4650
4705-4708
4782-4794
4814-4817
4845-4848
4852-4869

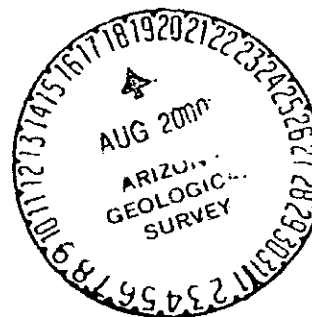
RETAINER @ 4885
SQUEEZED HOLE WITH 25 SXS
HOLE IN CASING 4896-4911

10 sacks cement on top of CIBP
CIBP @ 5160 FT. KB.

FLOAT @ 5378 FT. KB.

T.D. @ 5411 FT. KB.

LEADVILLE INTERVAL
PERFORATIONS @
5238-5246
5306-5329



OFF: (505) 325-5667
FAX: (505) 327-1496



LAB: (505) 325-1556
FAX: (505) 327-1496

ANALYTICAL REPORT

Date: 14-Jul-00

Client: Coleman Oil and Gas Company
Work Order: 0006053
Lab ID: 0006053-02A Matrix: AQUEOUS
Project: Coleman Oil and Gas

Client Sample Info: Coleman Oil and Gas
Client Sample ID: Dry Mesa Well #3
Collection Date: 6/22/2000 12:30:00 PM
COC Record: 10759

Parameter	Result	PQL	Qual	Units	DF	Date Analyzed
CALCIUM, DISSOLVED		E215.1				Analyst: HR
Calcium	1240	250		mg/L	1000	7/10/2000
IRON, DISSOLVED		E236.1				Analyst: HR
Iron	0.48	0.1		mg/L	1	7/11/2000
POTASSIUM, DISSOLVED		E258.1				Analyst: HR
Potassium	450	50		mg/L	200	6/30/2000
MAGNESIUM, DISSOLVED		E242.1				Analyst: HR
Magnesium	400	50		mg/L	200	7/10/2000
SODIUM, DISSOLVED		E273.1				Analyst: HR
Sodium	8200	1250		mg/L	5000	6/30/2000
ALKALINITY, TOTAL		M2320 B				Analyst: HR
Alkalinity, Bicarbonate (As CaCO ₃)	1030	5		mg/L CaCO ₃	1	6/29/2000
Alkalinity, Carbonate (As CaCO ₃)	ND	5		mg/L CaCO ₃	1	6/29/2000
Alkalinity, Hydroxide	ND	5		mg/L CaCO ₃	1	6/29/2000
Alkalinity, Total (As CaCO ₃)	1030	5		mg/L CaCO ₃	1	6/29/2000
CHLORIDE		E325.3				Analyst: HR
Chloride	14100	1		mg/L	1	6/29/2000
HARDNESS, TOTAL		M2340 B				Analyst: HR
Hardness (As CaCO ₃)	4750	1		mg/L	1	6/27/2000
PH		E150.1				Analyst: HR
pH	6.37	2		pH units	1	6/23/2000
RESISTIVITY (@ 25 DEG. C)		M2510 C				Analyst: HR
Resistivity	0.248	0.001		ohm-m	1	6/27/2000
SPECIFIC GRAVITY		M2710 F				Analyst: HR
Specific Gravity	1.019	0.001		Units	1	6/28/2000
SULFATE		M4500-SO4 D				Analyst: HR
Sulfate	1520	5		mg/L	1	6/29/2000
TOTAL DISSOLVED SOLIDS		E160.1				Analyst: HR
Total Dissolved Solids (Residue, Filterable)	29000	40		mg/L	1	6/27/2000
TOTAL DISSOLVED SOLIDS		CALC				Analyst: HR
Total Dissolved Solids (Calculated)	26600	40		mg/L	1	7/11/2000

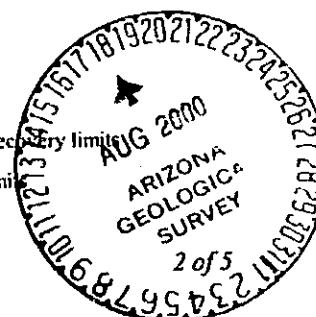
Perfs 4418-4865 TP Patadox

Qualifiers: PQL - Practical Quantitation Limit
ND - Not Detected at Practical Quantitation Limit
J - Analyte detected below Practical Quantitation Limit
B - Analyte detected in the associated Method Blank

S - Spike Recovery outside accepted recovery limit
R - RPD outside accepted recovery limit
E - Value above quantitation range
Surr - Surrogate

P.O. BOX 2606 • FARMINGTON, NM 87499

- TECHNOLOGY BLENDING INDUSTRY WITH THE ENVIRONMENT -



OFF: (505) 325-5667
FAX: (505) 327-1496



LAB: (505) 325-1556
FAX: (505) 327-1496

ANALYTICAL REPORT

Date: 14-Jul-00

Client:	Coleman Oil and Gas Company	Client Sample Info:	Coleman Oil and Gas
Work Order:	0006053	Client Sample ID:	Dry Mesa Comp. #2, 3, 10, & 6
Lab ID:	0006053-05A	Matrix:	AQUEOUS
Project:	Coleman Oil and Gas	Collection Date:	6/22/2000
		COC Record:	10759

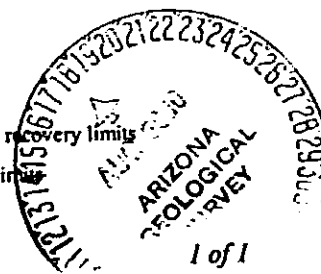
Parameter	Result	PQL	Qual	Units	DF	Date Analyzed
CALCIUM, DISSOLVED		E215.1				Analyst: HR
Calcium	3770	250		mg/L	1000	7/10/2000
IRON, DISSOLVED		E236.1				Analyst: HR
Iron	1.2	0.1		mg/L	1	7/11/2000
POTASSIUM, DISSOLVED		E258.1				Analyst: HR
Potassium	520	100		mg/L	400	6/30/2000
MAGNESIUM, DISSOLVED		E242.1				Analyst: HR
Magnesium	540	50		mg/L	200	7/10/2000
SODIUM, DISSOLVED		E273.1				Analyst: HR
Sodium	11000	1250		mg/L	5000	6/30/2000
ALKALINITY, TOTAL		M2320 B				Analyst: HR
Alkalinity, Bicarbonate (As CaCO3)	960	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Carbonate (As CaCO3)	ND	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Hydroxide	ND	5		mg/L CaCO3	1	6/29/2000
Alkalinity, Total (As CaCO3)	960	5		mg/L CaCO3	1	6/29/2000
CHLORIDE		E325.3				Analyst: HR
Chloride	21100	1		mg/L	1	6/29/2000
HARDNESS, TOTAL		M2340 B				Analyst: HR
Hardness (As CaCO3)	11600	1		mg/L	1	7/11/2000
PH		E150.1				Analyst: HR
pH	6.16	2		pH units	1	6/23/2000
RESISTIVITY (@ 25 DEG. C)		M2510 C				Analyst: HR
Resistivity	0.177	0.001		ohm-m	1	6/27/2000
SPECIFIC GRAVITY		M2710 F				Analyst: HR
Specific Gravity	1.029	0.001		Units	1	6/28/2000
SULFATE		M4500-SO4 D				Analyst: HR
Sulfate	1230	5		mg/L	1	6/29/2000
TOTAL DISSOLVED SOLIDS		E160.1				Analyst: HR
Total Dissolved Solids (Residue, Filterable)	43600	40		mg/L	1	6/27/2000
TOTAL DISSOLVED SOLIDS		CALC				Analyst: HR
Total Dissolved Solids (Calculated)	38700	40		mg/L	1	7/11/2000

Qualifiers: PQL - Practical Quantitation Limit
ND - Not Detected at Practical Quantitation Limit
J - Analyte detected below Practical Quantitation Limit
B - Analyte detected in the associated Method Blank

S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range
Surr: - Surrogate

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OFF: (505) 325-5667
FAX: (505) 327-1496



LAB: (505) 325-1556
FAX: (505) 327-1496

On Site Technologies, LTD.

Date: 14-Jul-00

CLIENT: Coleman Oil and Gas Company
Project: Coleman Oil and Gas
Lab Order: 0006053

CASE NARRATIVE

Samples were analyzed using the methods outlined in the following references:

Test Methods for Evaluating Solid Waste, Physical/Chemical Methods, SW846, 3rd Edition.
Methods for Chemical Analysis of Water and Wastes, EPA-600/4-79-020, March 1983.
Standard Methods for the Examination of Water and Wastewater, 18th Edition, 1992.

All method blanks, laboratory spikes, and/or matrix spikes met quality assurance objectives.

Any quality control and/or data qualifiers associated with this laboratory order will be flagged in the analytical result page(s) or the quality control summary report(s).

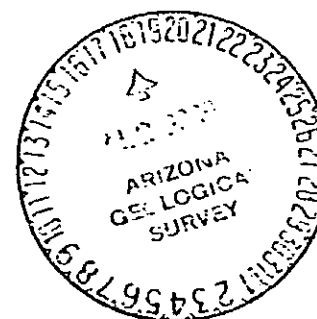
Cation-Anion Balance 0006053-01A Dry Mesa Well #2
Total Cation-Anion = 867.86 meq/L
Difference Cation-Anion = 54.47 meq/L
% Difference = 6.3 %

Cation-Anion Balance 0006053-02A Dry Mesa Well #3
Total Cation-Anion = 910.78 meq/L
Difference Cation-Anion = 15.66 meq/L
% Difference = 1.7 %

Cation-Anion Balance 0006053-03A Dry Mesa Well #10
Total Cation-Anion = 1177.25 meq/L
Difference Cation-Anion = 52.37 meq/L
% Difference = 4.4 %

Cation-Anion Balance 0006053-04A Dry Mesa Well #6
Total Cation-Anion = 4175.30 meq/L
Difference Cation-Anion = 194.97 meq/L
% Difference = 4.7 %

Cation-Anion Balance 0006053-05A Dry Mesa Well Composite
Total Cation-Anion = 1359.66 meq/L
Difference Cation-Anion = 84.97 meq/L
% Difference = 6.2 %



In Lieu of
Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.
14-20-603-4190
6. If Indian, Allottee or Tribe Name
Navajo
7. If Unit or CA, Agreement Designation
8. Well Name and No. *P/N 115*
Tract 138 #3
9. API Well No.
? *02-001-05305*
10. Field and Pool, or Exploratory Area
Dry Mesa Field
11. County or Parish, State
Apache County, AZ.

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator
COLEMAN OIL & GAS, INC.
3. Address and Telephone No. C/O Walsh Engineering & Production Co. p.
Drawer 3337 Farmington, NM 87499 505-327-0356
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
750' FSL & 2035 FEL, Section 2, T40N, R28E

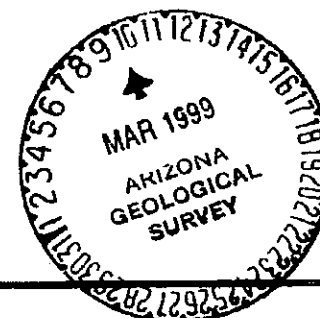
CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>ISOLATE HOLES & SQUEEZE</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input checked="" type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water
	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SEE ATTACHED PROCEDURE.

VERBAL APPROVAL MARCH 1, 1999 BY JIM LOVATO.



14. I hereby certify that the foregoing is true and correct

Signed *Michael J. Haver*

Title OPERATIONS MANAGER

Date March 1, 1999

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

LEASE NAME: NAVAJO TRACT 138 DRY MESA #3
LOCATION: SW/SW SEC 2 T40N R28E
APACHE COUNTY, AZ

P/N 115
DATE: March 1, 1999

FIELD: DRY MESA
SURFACE: NAVAJO
MINERALS: 14-20-603-4190

ELEV: GL 5674
KB 5687
PBTD

Depth	Size (in)	Wt, #/ft	Grade Thread	Burst (psi)	Collaspe (psi)	Yield M#	Drift (in.)	Capacity (bbls/ft.)
Surface-	2 3/8"	4.7	J-55 EUE 8RD	7700	8100	71.7	1.901	0.00387
Surface- 5411	5 1/2"	14	J-55 ST&C	3120	4270	189	4.887	.0244

CIBP @ 5160 FT. KB. WITH 10 SACKS OF CEMENT ON TOP OF CIBP.

WORKOVER PROCEDURE: SET CEMENT RETAINER AND SQUEEZE OFF WATER.

1. MOL AND RU WORKOVER RIG WITH BOP, PUMP, FLAT TANK AND POWER SWIVEL. LAY 2" FLOW LINE TO THE FLAT TANK, WHICH SHOULD BE DOWN WIND FROM THE RIG.
2. BLOW WELL DOWN & KILL, IF NECESSARY, WITH PRODUCED WATER. NIPPLE DOWN WELL HEAD AND INSTALL 6" BOPS AND H2S EQUIPMENT.
3. RELEASE ARROW SET I PRODUCTION PACKER AND TOH AND STAND BACK 2 3/8" TUBING.
4. RIH WITH CEMENT RETAINER AND WIRELINE SET @ 4880 FT. KB.
5. SQUEEZE HOLES @ 4896-4911 FEET WITH 75 SACKS CLASS B CEMENT WITH ADDITIVES.
6. RETURN WELL TO PRODUCTION.
7. RIH WITH PRODUCTION TUBING AS FOLLOWS.
2 3/8" TAPPED BULL PLUG, 2 JOINTS OF 2 3/8" TUBING 1-6 FT. PERFORATED SUB, 570 FEET OF 2 3/8" TUBING, ANCHOR CATCHER, AND REMAINING 2 3/8" TUBING. SET BOTTOM OF TUBING @ \pm 4550.

PREPARED BY: MICHAEL T. HANSON

In Lieu of
Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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5. Lease Designation and Serial No.

14-20-603-4190

6. If Indian, Allottee or Tribe Name

Navajo

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Tract 138 #3

P/W 115

9. API Well No.

? 02-001-05305

10. Field and Pool, or Exploratory Area

Dry Mesa Field

11. County or Parish, State

Apache County, AZ.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Thompson Engineering and Production Corp.

3. Address and Telephone No. C/O Walsh Engineering & Production Corp.

7415 East Main Farmington, NM 87402 505-327-4892

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

750' FSL & 2035 FEL, Section 2, T40N, R28E

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☒ Casing Repair

☐ Altering Casing

☒ Other MIT Test

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on

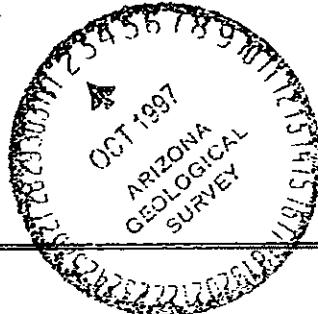
Well Completion or Recompletion Report and

Log form.)

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A mechanical integrity test was run on 9/26/97 on the 5-1/2" production casing. The pressure dropped from 540 psig to 250 psig in 30 min. Chart attached.

A workover rig will be moved on the location as soon as possible. Thompson proposes to pull the production packer at 4750', isolate the casing leak (4860' - 4992') behind a 4" flush joint casing patch. A packer will be placed between the Barker Creek perms (4782' - 4794') and the top of the casing patch. The Leadville zone (5238' - 5329') will be tested with the existing pumping unit. The casing above the Barker Creek perms will be tested, and repaired if necessary, during this operation.



14. I hereby certify that the foregoing is true and correct

Signed

Paul C. Thompson

(Paul C. Thompson)

Title

President

Date

September 29, 1997

(This space for Federal or State office use)

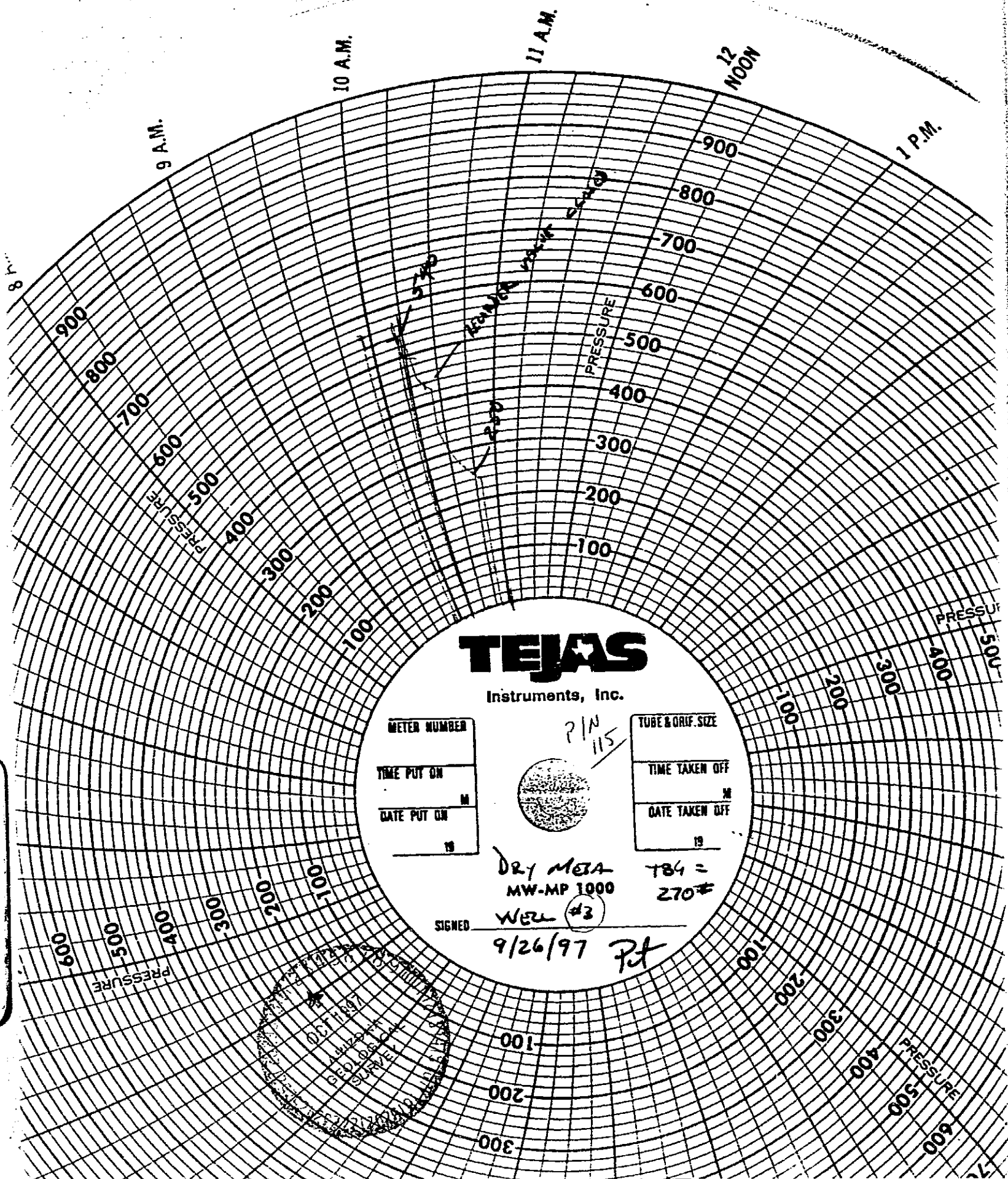
Approved by

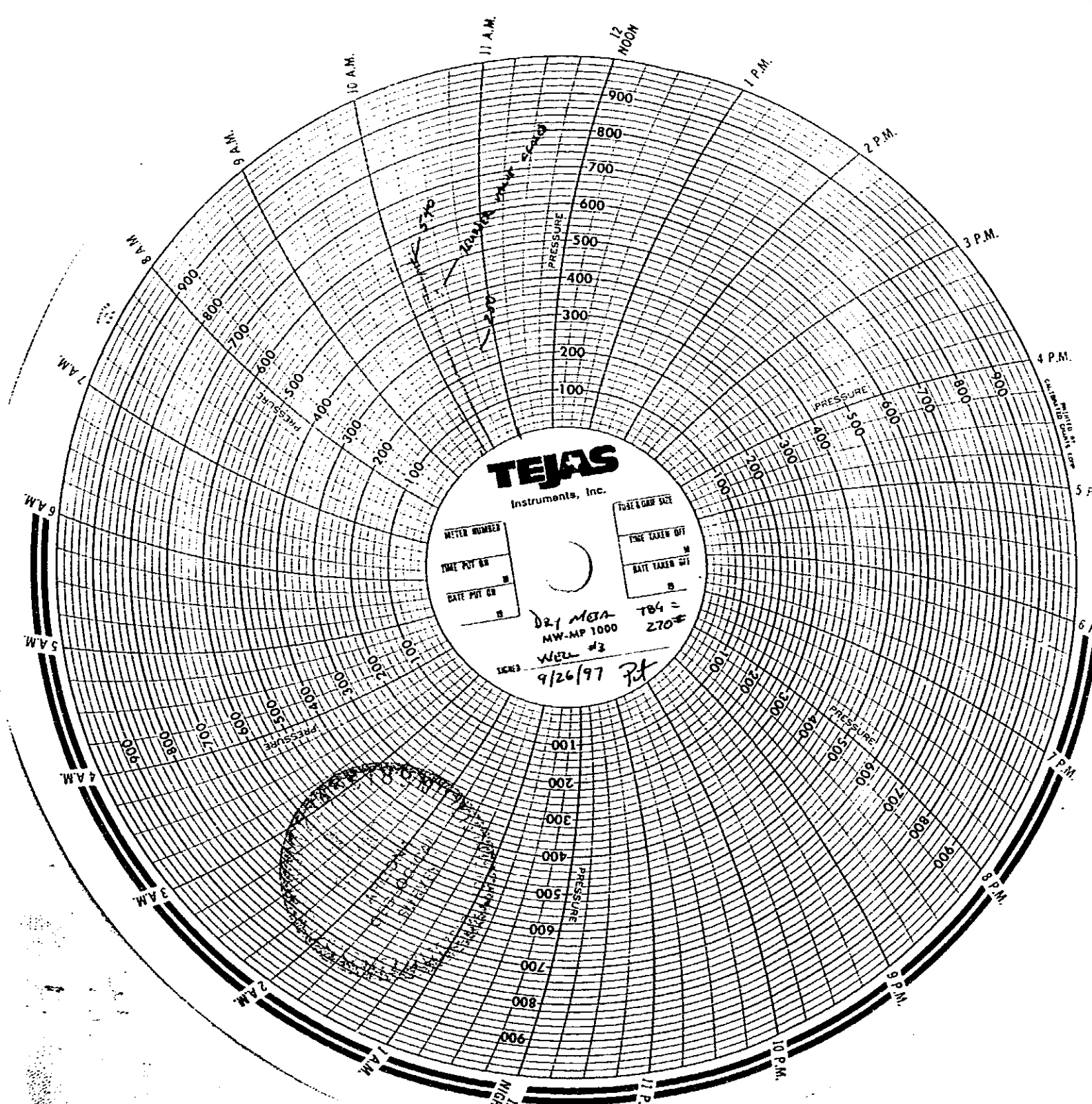
Title

Date

Conditions of approval, if any:

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Form 3160-5
(June 1990)

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DEPARTMENT OF THE INTERIOR
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SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial Number Tract 138 #14-20-603-4190
2. Name of Operator Dry Mesa Corporation	6. If Indian, Allottee or Tribe Name Navajo
3. Address and Telephone Number 15 Willowbrook, Wichita, Kansas 67207 (316) 684-0420	7. If Unit or CA, Agreement Designation - NA - Permit # 115
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 760' FSL & 2035' FEL, SEC 2 T. 40 N., R. 28 E.	8. Well Name and Number Well # 3
	9. API Well Number 02-001-05305
	10. Field and Pool, or Exploratory Area Dry Mesa Field
	11. County or Parish, State Apache County, Arizona

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other WELL STATUS
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completion Operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true depths for all markers and zones pertinent to this work.)

SUNDRY NOTICE IN REPLY TO 14-20-603-410 (WC) 3162.3-2 (7300) FEB. 13, 1996 S. MASON / K. TOWNSEND: WELL STATUS FOR DRY MESA WELL #3, LAST PRODUCED 5/92

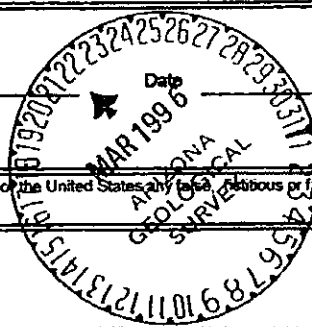
REQUEST FOR CONTINUED SHUT-IN STATUS

Dry Mesa Corporation is requesting continued shut-in status for Dry Mesa Field Well #3 (gas well). Due to continuing legal and financial constraints imposed by Dry Mesa Corporation bankruptcy, we have not been allowed / financially able to bring the well back in to production. As of 3/96, the well is incapable of commercial production. When last vented to the surface, the well would make 300 - 500 mcf/day with a heavy mist of water. The well did not have sufficient bottom hole pressure to overcome the sales line pressure of 350 psi and quickly watered up when commercial production was last attempted. Pending installation of a compressor, re-stimulation, or recompletion in additional potentially productive zones, the well will be put back on production. If gas production can not be re-established, resumption of oil production from the Leadville oil zone will be attempted. Leadville oil production was curtailed when a casing leak formed above the oil perms. This leak was isolated by bridge plugs during the gas zone recompletion and does not affect the current completion. Pending resolution of bankruptcy, sale, or release of operating capitol, Dry Mesa Corporation plans to test and recomplete this well and bring it back on production. A current wellbore diagram is attached for reference. A summary of potential reserves is also attached.

14. I hereby certify that the foregoing is true and correct

Signed _____	Title Geologist	Date March 19, 1996
(This space for Federal or State office use)		
Approved by _____	Title _____	Date _____
Conditions for Approval, if any:		

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Summary of Prospective Zones Navajo Tract 138 - Well #3

Dry Mesa Field
SW/SE Section 2 T40N-R28E Apache County, Arizona

Available Information: Logs: (1961 vintage - fair to poor quality) GR/Caliper/
Sonic, Induction/Electric, Mudlog, 6 DST's, 2 Cores
(zones analyzed had mud log shows)

Pennsylvanian:

Honaker Trail Formation

No zones appear to have commercial potential.

Paradox Formation

Upper Ismay

No zones appear to have commercial potential

Lower Ismay

A good mud log gas show with fair oil indications and a bright yellow fluor. and cut was logged at 4424' - 4439'. There appears to be no more than 2' of zone with porosity > 5%. Zone appears very shaley on logs. This zone is equivalent to the Lower Ismay zone perfed in the Well #5. Zone appears to be too thin commercial.

Desert Creek

A slight mud log gas show occurred at 4479' - 4490' with bright blue fluor and oil indications. Zone appears very shaley and is probably non-commercial due to low perm.

Desert Creek - Akah

Depth	4560' - 4563' / 4585' - 4589' / 4603' - 4607'
Lithology	clean limestone
Thickness	3' / 4' / 4' (11' Total)
Aver. Porosity	6.5% / 5.1% / 6.5%
Aver. Water Saturation	34.4% / 41.8% / 39.7%
Mud Gas Show	excellent gas / fair to good oil / blue white fluor and cut
DST/Core Data	DST: 4577' - 4607', EST 100 MCF/day, FSIP - 1415 psi

Estimated Recoverable Reserves: 274,000 MCF + 410 bls condensate

Comments: Samples indicate vuggy porosity.

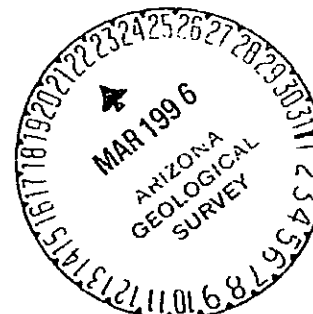
Akah

A slight mud log gas show occurred at 4637' - 4641' and at 4649' - 4651' in two zones that had log calculated porosity's <5%. Zones appear to be too tite to be commercial.

Barker Creek

Well is currently perforated in the Barker Creek at 4782' - 4794'. Well has produced 157,562 MCF as of 12/92. Well does not have sufficient pressure to unload fluid against line pressure.

Estimated Remaining Recoverable Reserves: 220,000 MCF + 330 bls condensate



NOTE: There are CIBPs at 4825' and 5110'. There is a casing leak somewhere between 4860' - 4992'. These plugs would have to be removed and the casing leak repaired to attempt commercial production of any lower zones.

Barker Creek

A fair gas show with excellent cuttings gas came from a limey, shaley, radioactive dolomite at 4852' - 4868'. Porosity is 7.9%, calculated Sw is 68%. The zone was DST'd and made EST 25 MCF/day, FSIP 1515 psi. Extremely high cuttings gas indicates good fluid saturations but poor permeability. Blue-green fluor implies more oil than gas. Calculated Sw is being influenced by shale. Zone is probably too low perm (due to interspersed shale) to be commercial. Zone also may be within the casing leak.

Pinkerton Trail Formation

Pinkerton Trail

Four zones in the Pinkerton Trail had slight to fair mud log gas shows. They are at 4898' - 4904', 4959' - 4969', 4984' - 4988', and 5011' - 5015'. The first three occur in the interval of the casing leak. After the casing split, the well made an estimated 300 MCF/day for several months. The gas production tapered off to 200 - 300 bls water/day on pump. Due to this high water production and the likelihood of all of these zones being in communication from the casing split, no reserves are assigned to these Pinkerton Trail porosity zones. The lower porosity zone had some calculated Sw values greater than 50% indicating that it would be probably be water productive also.

Mississippian:

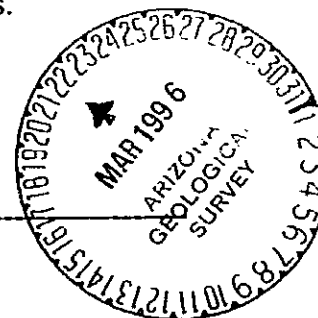
Leadville Formation

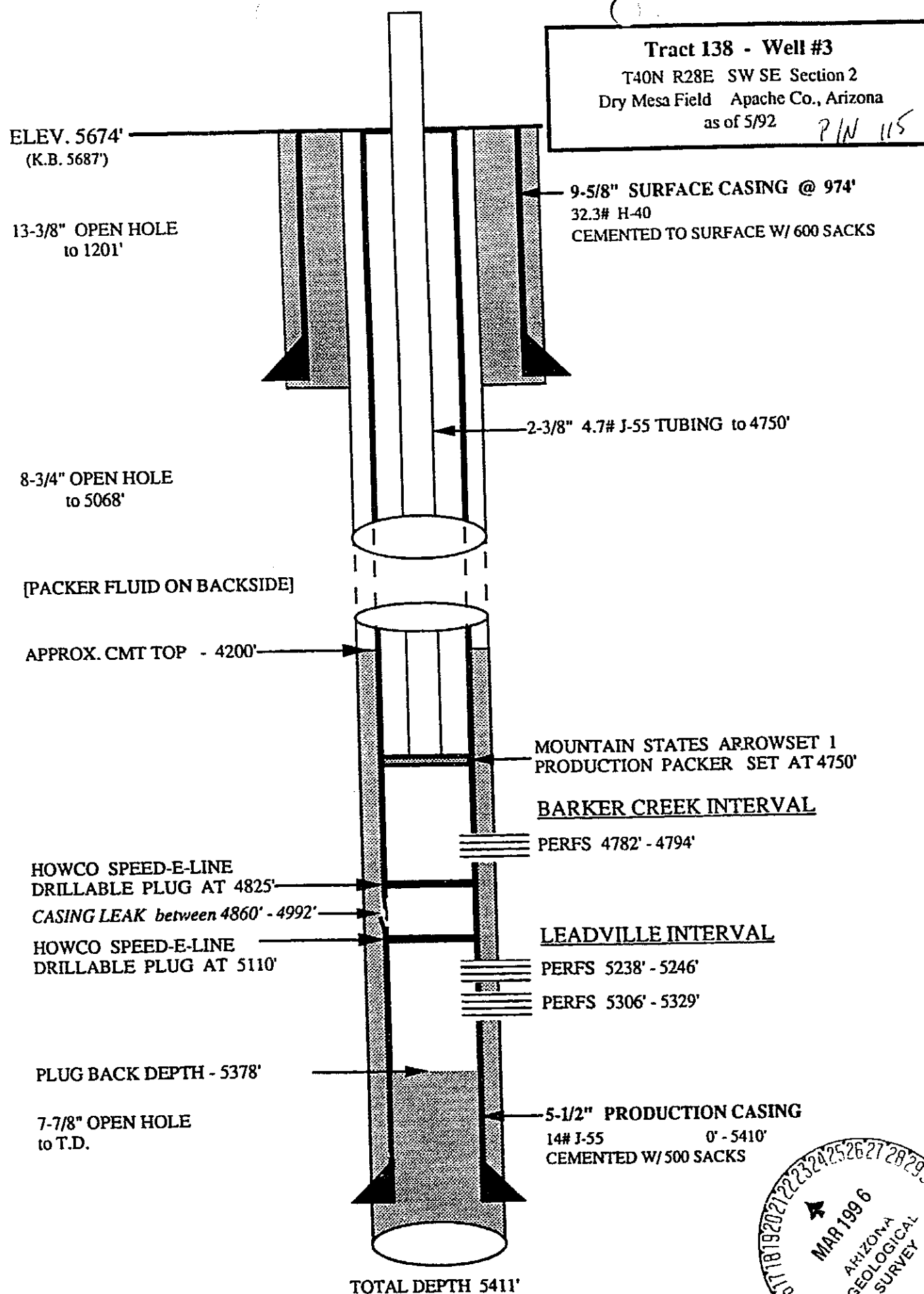
This well was originally perforated at 5306' - 5329' and later at 5238' - 5246' (this zone appears tight). Cumulative production was 462,880 bls oil and 477,357 bls water to 8/91. Well was producing a steady 20 - 25 bls oil/day with 120 bls water (capacity of pump). Well began to make gas for several weeks and then large amounts of water until the production rate was less than 10 bls oil/day with 200 - 300 bls water. While setting a CIBP to complete in the Barker Creek gas zone, a casing leak was discovered between 4860' and 4992'. It is felt that most of the increased water production was coming in the casing leak above the perfs and drowning the oil production from above. If the casing leak is repairable and a bigger pump jack installed, the well could possibly make 35 - 65 bls oil/day from the existing Leadville perfs. The decline rate prior to the casing leak was 7%/year. Assuming a bigger jack is installed and initial production is 50 bls/day, remaining reserves to an economic limit of 10 bls oil/day would be 208,500 bls over 22.2 years. At an initial production rate of 35 bls oil/day, remaining reserves to an economic limit of 10 bls oil/day would be 130,300 bls over 17.3 years.

Estimated Remaining Recoverable Reserves: 130,300 bls oil

Potential Remaining Recoverable Reserves

494,000 MCF
740 BLS Condensate (EST. 1.5 bls condensate per 1,000 MCF)
130,300 BLS Oil





SUNDRY NOTICES AND REPORT ON WELLS

1. Name of Operator DRY MESA CORPORATION

2. OIL WELL ☒ GAS WELL ☒ OTHER ☐ (Specify) _____

3. Well Name WELLS #1 #2, #3, #5, AND #6

Location _____

Sec. 1, 2, 11, 12 Twp. 40N Rge. 28E County APACHE, Arizona.

4. Federal, State, or Indian Lease, or lessor's name if fee lease NAVAJO LEASE #14-20-603-4190 TRACT 138

5. Field or Pool Name DRY MESA FIELD

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other data

NOTICE OF IN SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF	<input type="checkbox"/>	PULL OR ALTER CASING	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	DIRECTIONAL DRILL	<input type="checkbox"/>	FRACTURE TREATMENT	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input checked="" type="checkbox"/>	PERFORATE CASING	<input checked="" type="checkbox"/>	SHOOTING OR ACIDIZING	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	CHANGE PLANS	<input type="checkbox"/>	(OTHER)	<input type="checkbox"/>	ABANDONMENT	<input type="checkbox"/>
(OTHER)	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>

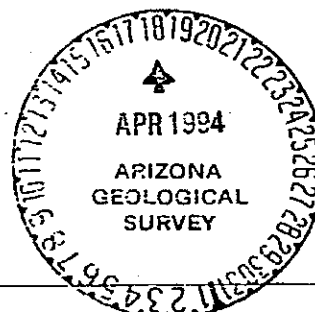
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Dry Mesa Corporation is preparing to workover two wells and repair or enhance production on two others. This work will commence when the major creditor has approved the proposed work. The actual work planned on the wells is outlined on the following pages. It is estimated that this work will begin on or about April 20, 1994.

Additionally, Dry Mesa Corporation would like to perform an MIT on SWD Well #1 while there is equipment on the lease. The MIT will conform to the tougher of the EPA/State of AZ requirements. The exact time and date of this test are flexible depending on all of the interested partys schedules

The appropriate forms will be submitted following completion of the work.



8. I hereby certify that the foregoing is true and correct.

Signed Bob Hauge Title Geologist Date April 15, 1994

Permit No. 115

STATE OF ARIZONA
OIL AND GAS CONSERVATION COMMISSION
Sundry Notices and Report On wells
File One Copy

Form No. 25

DRY MESA CORPORATION PROPOSED WORKOVER SUMMARY
(REVISED 3/8/94)

Dry Mesa Corporation has requested that funding be granted to do workovers on wells in Dry Mesa Field, Apache County, Arizona. The purpose of the workovers is to raise the oil and gas production and thereby raise income from Dry Mesa Field. A summary of the field's present condition, proposed work, cost estimate for such work, and expected results follows.

PRESENT FIELD CONDITION

Due to factors listed elsewhere in this summary, Dry Mesa Field has been essentially shut down since June, 1993. Dry Mesa Field contains three gas wells, one oil well, and one water disposal well. If the wells were capable of producing at full capacity, this would be their current state:

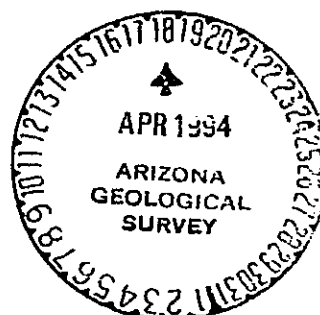
Gas Well #2 could be expected to produce 250 - 400 MCF/day
Gas Well #5 could be expected to produce 35 MCF/day
Gas Well #3 will not produce against line pressure, 0 MCF/day
Oil Well #6 could be expected to produce 30 - 35 bbls oil/day
SWD Well #1 This well is needed to dispose of produced water from #6. Well #6 is not economic without well #1.

TOTALS: 285 - 435 MCF/day 30 - 35 bbls oil/day
Monthly Income (less royalty and gas transport fee of 27%): \$19,800 (low) - \$ 26,500 (high)
(assuming Gas Price \$1.80/MCF & Oil Price \$14.00/bbl)

Current Operations

The gas sales line experiences freeze ups during the coldest winter days. This situation will require a dehydrator to fix. This will not be necessary until next October or November.

Dry Mesa Corporation is paying Western Gas Processors 27% of the produced gas for their services of gathering, metering, transporting, and selling Dry Mesa gas. Western has agreed in principle to reduce this 27% cost to 15% provided Dry Mesa raise gas production by working over at least two of the wells. This 13% drop in rate with no real drop in service makes a strong argument for working over at least two wells initially. Dry Mesa and Black Rock Field wells typically have high initial production rates with a steep monthly decline until the production rate reaches approximately 600 MCF/day. At 600 MCF/day, the decline rate moderates. For this reason, it is most financially beneficial to have the gas contract changed as early in the well's life after the workover as possible. Another advantage of working over the wells one after another is the potential savings in rig move expenses and possible volume discounts from the service companies.



Well #3

Well #3 will not produce against the 380 psi line pressure. Attempts to purge the water from the well and then produce it have failed, the well makes too much water. Log calculations showed the productive interval to have a high water saturation so the condition will not improve.

A small rental compressor should be tried on this well. Before it died, the well was making 300 - 400 MCF/day. If the rental compressor can lower the suction pressure, the well may make upwards of 400 MCF/day. The water that will be produced can be routed through the existing old oil flowline and end up at the #3 tank battery for disposal. Total cost to transport, hookup, and first month's rental on a compressor is estimated to be \$3,500. There is a possibility that the open zone is hopelessly watered out. A rental compressor should be the first option.

There is one additional potentially productive zone in this well. This zone is thin and the estimated reserves do not justify the workover expense at this time. Should the compressor fail, this zone should be tested as the second option.

This well still contains significant oil reserves. Before the casing split, production was 25 bbls oil/day with 120 bbls water/day. The decline rate was around 6% per year. The cost to repair the casing split, re-equip the well with pump and rods, service the pump jack and motor, and repair/replace flowlines and storage tanks make this the third option for this well.

Proposed Work

1. install rental compressor
2. hookup water flowline
3. test well through sales meter

Economics

A cost estimate for the proposed work and a table displaying various production and economic models for Well #3 are included in this summary. The estimated cost to work on this well is \$3,500. The first month's income if the compressor is successful is estimated to be \$13,140. Payout will occur within the first month. Gross Income for the first year (less royalty and gas transport fee) would be \$144,000 (high) - \$123,000 (low).

Well #5

This well is completed in a low permeability zone. Two attempts at acid stimulation failed and a frac would be necessary to stimulate this well. It is questionable whether a frac will have much effect on this zone and even then, potential reserves would not support the frac expense. Though the well could continue to make 35 MCF/day for a long time, 35 MCF/day is not economic.



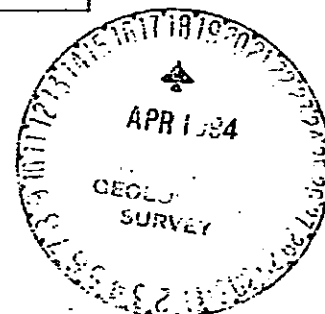
Well Cost Estimate Sheet

(costs are estimated based on similar past service)

Prepared for: Dry Mesa Field - Well # 3

Item	Price per/	Est. Time or Volume	Item Total
Transportation, Installation, and 1st Months Compressor Rental			\$3,000
Water Line Hook-Up			\$250
15% Contingency			\$488
TOTALS			\$3,738

Compressor should be sized for 500 MCF/day minimum, 0.5% H₂S gas content, 380 psi line pressure. Significant water may be produced.



Well #3 and Well #6 - Economic Models

Month	WELL #3						WELL #6			
	Current			With Compressor			Current		After Workover	
	IP - 0 MCF/day			27% Trans. Fee IP - 400 MCF/day			IP - 0 Bbls / Day		IP - 55 Bbls/day	
	Monthly Volume	Monthly Income	Monthly Income	Monthly Volume	Monthly Income	Monthly Income	Monthly Volume	Monthly Income	Monthly Volume	Monthly Income
1	0	\$0	\$13,140	12,000	\$13,140	\$15,300	0	\$0	1,650	\$19,250
2	0	\$0	\$12,593	11,500	\$12,593	\$14,663	0	\$0	1,080	\$12,600
3	0	\$0	\$12,045	11,000	\$12,045	\$14,025	0	\$0	1,050	\$12,250
4	0	\$0	\$11,498	10,500	\$11,498	\$13,388	0	\$0	1,045	\$12,192
5	0	\$0	\$10,950	10,000	\$10,950	\$12,750	0	\$0	1,040	\$12,133
6	0	\$0	\$10,403	9,500	\$10,403	\$12,113	0	\$0	1,035	\$12,075
7	0	\$0	\$9,855	9,000	\$9,855	\$11,475	0	\$0	1,030	\$12,017
8	0	\$0	\$9,417	8,600	\$9,417	\$10,965	0	\$0	1,025	\$11,958
9	0	\$0	\$8,979	8,200	\$8,979	\$10,455	0	\$0	1,020	\$11,900
10	0	\$0	\$8,541	7,800	\$8,541	\$9,945	0	\$0	1,015	\$11,842
11	0	\$0	\$8,103	7,400	\$8,103	\$9,435	0	\$0	1,010	\$11,783
12	0	\$0	\$7,684	7,200	\$7,684	\$9,180	0	\$0	1,005	\$11,725
TOTALS:	0	\$0	\$123,407	112,700	\$123,407	\$143,693	0	\$0	13,005	\$151,725

ASSUMPTIONS:

Income: GAS = (Monthly MCF * Gas Price * (1 - Transport Fee)) * (1 - Royalty)

OIL = Monthly Bbls * Oil Price * (1 - Royalty)

Gas Price: \$1.80

Oil Price: \$14.00

Royalty: 1/6

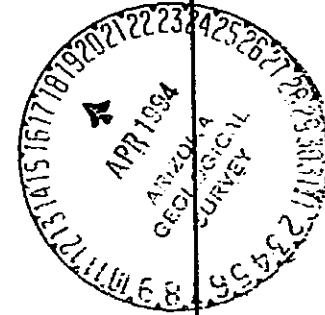
Transport: 27% (unless specified to be 15%)

Decline: Gas - Modeled after Watson "Type B" well in Reserve Estimate Report

Oil - 55 Bbls flush production dropping to 35 bbls/day in 2 months, 6% yearly decline after that

Month: 30 days

Volume: MCF / Bbls



RESERVOIR PRESSURE REPORT

Operator Dry Mesa Corporation

Address Box 5446, Farmington, NM 87499

Field Dry Mesa Field

County Apache

Date 8/30/91

Producing Formation Barker Creek

Oil Gradient

Water Gradient

Initial Completion

Special

General Survey

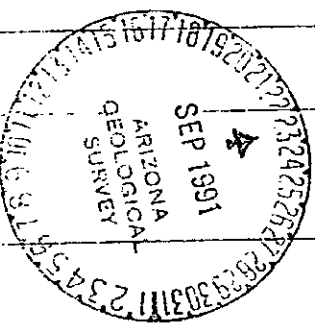
Datum Plane 5687' (K8)

Gas Gravity .680

Well Name	Permit No.	Well No.	Oil (O) or Gas (G)	Date Tested	Shut-In Time	Shut-In Tubing Pressure	Test Depth	B.H. Temp.	Observed Pressure	Prod. Test (Bbls per Day)		Liquid Level	Liquid Gradient	Wt. of Liquid Column	Wt. of Gas Column	Casing Pressure	At Datum
Fract 138 #3	115	#3	Gas	8/30/91	24	1050	-	-	-	-	-	-	-	-	-	PKR	1050
							(NOT RUN)					(NOT RUN)					
							BHP calculated to be 1194 psi										

SEP 1991

ARIZONA
GEOLOGICAL
SURVEY



Designate type of report by "X".
 Geologist
 CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the... of the
 Dry Mesa Corporation
 this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 9/4/91

Robert J. Howard
 Signature

Form No. 7
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Reservoir Pressure Report
 File One Copy

ARIZONA OIL AND GAS CONSERVATION COMMISSION
MULTIPOINT / ONE POINT BACK PRESSURE TEST FOR GAS WELL

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date		Well Name Tract 138 - #3	
Company Dry Mesa Corporation				Connection Western Gas Processors		Permit No. 115	
Pool Dry Mesa Field				Formation Barker Creek		Unit -	
Completion Date 8/5/91		Total Depth 5411'		Plug Back TD 4825'		Elevation 5687' KB	
Csg. Size 5-1/2"	Wt. 14	d 5.012	Set At 5410'	Perforations: From 4782' To 4794'		Well No. #3	
Tbg. Size 2-3/8"	Wt. 4.7	d 1.995	Set At 4750'	Perforations: From To		Farm or Lease Name Tract 138	
Type Well - Single - Bradenhead - G.G. or G.O. Multiple Single				Packer Set At 4750'		County Apache	
Producing Thru Tubing		Reservoir Temp. °F 118 @ 4782'		Mean Annual Temp. °F 60		Baro. Pres. - P _a 12.2	
L 4750		H	Gg. .680	% CO ₂ 3.2	% N ₂ 4.2	% He N/A	Prover 2"
							Meter Run Taps

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Choke Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
1.	2" X 1 1/2"			15.5		32	600	89	(packer)	(packer)	3 hours
2.											
3.											
4.											
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24-Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd
1.	55.7570		27.7	1.0281	.9393	1.062	1491
2.							
3.							
4.							
5.							

NO.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio. Dry Gas	Mcf/bbl.
1.	1.648	578	1.549	.886	A.P.I Gravity of Liquid Hydrocarbons	Deg.
2.					Specific Gravity Separator Gas .680	
3.					Specific Gravity Flowing Fluid	
4.					Critical Pressure 681	p.s.i.a.
5.					Critical Temperature 373	R

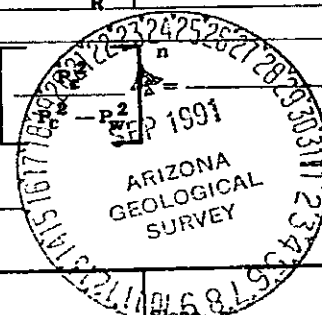
P _c 1194		P _c ² 1426		$\frac{P_c^2}{P_c^2 - P_w^2} = 1.45$	
NO.	P _t ²	P _w	P _w ²	P _c ² - P _w ²	
1.		666	443	983	
2.					
3.					
4.					
5.					

Absolute Open Flow 2162 *		Mcf/d @ 15.025	Angle of Slope @
---------------------------	--	----------------	------------------

Remarks: * since the slope could not be determined from 1 point, a maximum slope of 1 was used to calculate AOF. (AOF calculated at a minimum slope of .5 would be 1795 MCF/Day)

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Geologist of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.
 Date 9/19/91 Signature *Robert D. Hand*

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION
 Multipoint and One Point Back Pressure Tests for Gas Well
 Form No. 18 (File two copies)



Navajo Tract 138 - Well #3

Critical Flow Prover Test



Time	Orifice PSI	Tubing PSI	Corrected Volume	Comment
11:40	28	1025	2.164	Volume is in MCF/Day X 1000
11:45	20	945	1.734	
11:50	17.5	890	1.599	
11:55	16.5	850	1.545	
12:00	16	825	1.518	opened pinched valve to 1/4 open
12:05	15.5	800	1.491	
12:10	21	760	1.787	
12:15	19.5	740	1.706	
12:20	20	710	1.734	
12:25	19	690	1.680	
12:30	18	670	1.626	
12:35	18	650	1.626	
12:40	18	650	1.626	
12:55	17	620	1.572	
13:10	16.5	610	1.545	
13:25	16	600	1.518	
13:40	16	595	1.518	
13:55	15.5	590	1.491	
14:10	15.5	590	1.491	
14:25	15.5	590	1.491	
14:40	15.5	590	1.491	
14:55	15.5	595	1.491	
15:10	15.5	600	1.491	

Critical Flow Prover was a 2" with a 1.5" orifice. The coefficient for this prover is 55.7570.

The estimated flowing temperature was 32 degrees, the barometric pressure is estimated to be 12.2 psi, the gas gravity was measured to be 0.680. The gravity and flowing temperature factors are .9393 and 1.0281 respective. The calculation method is:

Daily Volume (MCF) = orifice coefficient * absolute pressure * gas gravity factor * flow temperature factor



MEASUREMENT
AUDITORS
COMPANY

WESTERN GAS PROCESSORS (SJRP)
P.O. BOX 70
KIRTLAND, N.M. 87417

ATTN: TIM BATES

GAS CHROMATOGRAPH ANALYSIS

MAC CUST/STAT : 8724110300
CUST STAT NO :
CUST STAT NAME: NAVAJO TRACT 138#3 (PROD.-DRY MESA)
FIELD : SAN JUAN RIVER PLT
COUNTY : SAN JUAN
STATE : NM

SAMPLING DATE : 08/07/91
SAMPLED BY : L.B.
PRESSURE : 500
FLOW TEMP : N/A
ACCOUNT CODE : 0000-3200-01145NNN01014
PRESSURE BASE : 14.696 DRY
SOURCE : MTR.RUN
ANALYZED BY : B.L.
DATE OF ANALYSIS : 08/08/91
RUN NUMBER : 3917

COMPONENT	CURRENT MOLE %	GPM @ 14.696 D	PREVIOUS
OXYGEN	0.00	0.000	0.00
CO2	3.21	0.000	0.00
NITROGEN	4.16	0.000	0.00
METHANE	82.11	0.000	0.00
ETHANE	6.12	1.633	0.00
PROPANE	2.56	0.704	0.00
I-BUTANE	0.35	0.114	0.00
N-BUTANE	0.79	0.249	0.00
I-PENTANE	0.20	0.073	0.00
N-PENTANE	0.00	0.000	0.00
HEXANES	0.00	0.000	0.00
HEPTANES +	0.00	0.000	0.00
H2S	0.50	0.000	0.00
HELIUM	N/A		
HYDROGEN	N/A		
TOTAL	100.00	2.773	

SPECIFIC GRAVITY	0.6800	0.0000
GROSS BTU/CU. FT. @15.025 DRY	1073.9	0.0
GROSS BTU/CU. FT. @15.025 SAT	1055.7	0.0
GROSS BTU/CU. FT. @14.730 DRY	1052.8	0.0
GROSS BTU/CU. FT. @14.730 SAT	1034.5	0.0
GROSS BTU/CU. FT. @14.696 DRY	1050.4	0.0
GROSS BTU/CU. FT. @14.696 SAT	1032.1	0.0

REMARKS : LEASE # 14-30-603-4190
*** I ESTIMATED THE H2S TO BE AT 0.50 ***

(2) Critical Flow Prover

The minimum volume which can accurately be measured with the critical flow prover is approximately 50 Mcf per day.

This equipment is designed for the accurate measurement of large volumes of gas, and its use is limited to conditions where gas can be measured at pressures greater than 15 pounds per square inch. The apparatus employed is shown in Figure 3.

The pressure which will be obtained on the gauge will depend upon the volume of gas flowing and the orifice size. An orifice size should be chosen which will give a gauge pressure between 15 and 500 pounds per square inch. Table 9 gives the coefficients corresponding to the different size orifices for the two- and four-inch critical flow provers. These coefficients should be multiplied by the absolute pressures to obtain the volume of gas flowing per 24 hours.

Corrections for specific gravity and flowing temperature of the gas are made in the same manner as usual. The absolute pressure are obtained by adding the gauge pressures to the barometric pressures at the time of the test. For most work a barometric pressure of 14.4 pounds per square inch may be assumed along the Gulf Coast and 13.2 pounds per square inch in West Texas and the Panhandle. (Tables 14 and 20.)

As an example: Assume that a 1-3/8" orifice is used in a four-inch critical flow prover and that the flowing temperature and pressure are 80 degrees Fahrenheit and 22.5 pounds per square inch gauge, respectively. Assume also that the specific gravity of the gas is 0.61. From Table 9 we find that the critical flow coefficient is 41.295. The absolute pressure will be 14.4 plus 22.5 or 36.9 pounds per square inch.

The specific gravity and flowing temperature factors are obtained from Tables 3 and 4 and are 0.9918 and 0.9813, respectively. The daily volume of gas is equal to:

$$41.295 \times 36.9 \times 0.9918 \times 0.9813 = 1483 \text{ Mcf per day}$$

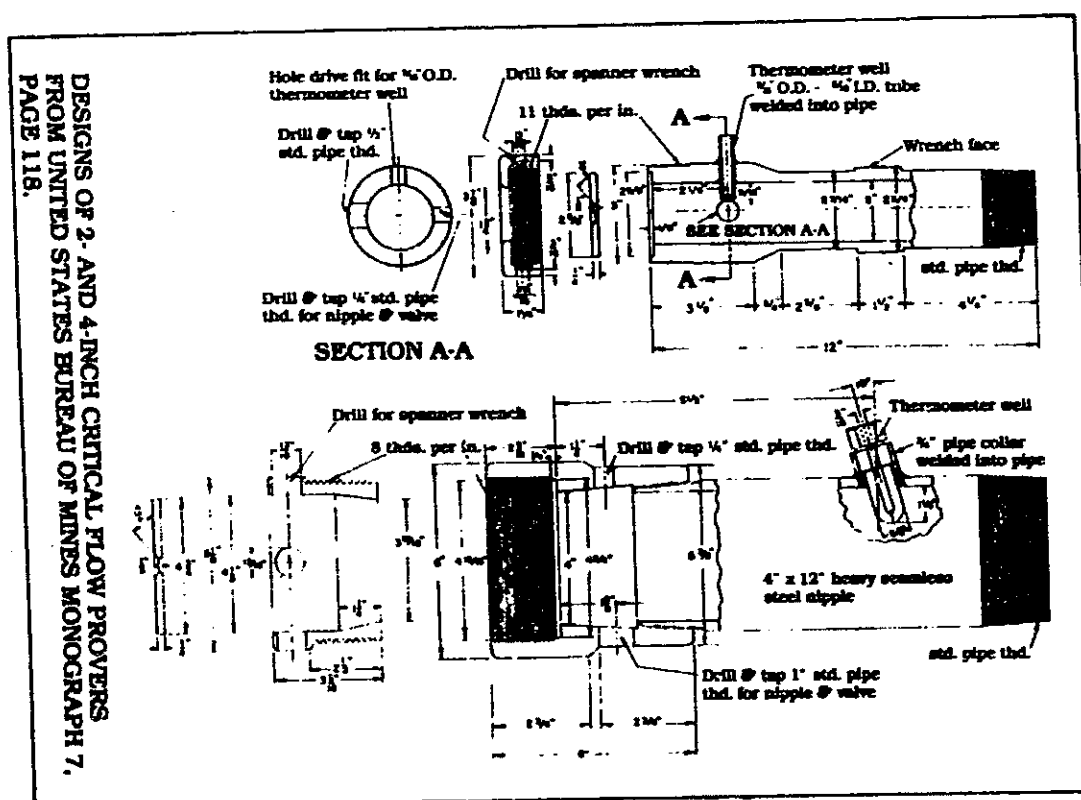


FIGURE 3

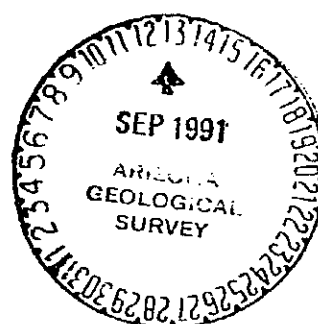
DESIGNS OF 2- AND 4-INCH CRITICAL FLOW PROVERS
FROM UNITED STATES BUREAU OF MINES MONOGRAPH 7,
PAGE 118.

TABLE 9
CRITICAL FLOW PROVERS
COEFFICIENTS FOR TWO- AND FOUR-INCH CRITICAL FLOW PROVERS*
Mcf PER DAY, PRESSURE BASE, 14.65 P.S.I.A.
SP. GR. 0.60; BASE AND FLOWING TEMPERATURE, 60° F

TWO-INCH CRITICAL FLOW PROVER	
Orifice size, Inches	Coefficient
1/16	0.0848
3/32	0.1867
1/8	0.3506
3/16	0.6052
7/32	1.1112
1/4	1.4390
5/16	2.2130
3/8	3.1484
7/16	4.5123
1/2	5.6647
5/8	8.5894
3/4	12.5147
7/8	17.2112
1	22.6311
1-1/8	28.9803
1-1/4	36.5871
1-3/8	44.9506
1-1/2	55.7570
FOUR-INCH CRITICAL FLOW PROVER	
Orifice Size Inches	Coefficient
1/4	1.387
3/8	3.117
1/2	5.576
5/8	8.686
3/4	12.448
7/8	16.927
1	22.052
1-1/8	27.778
1-1/4	34.300
1-3/8	41.295
1-1/2	49.208
1-3/4	67.220
2	89.811
2-1/4	113.851
2-1/2	142.787
2-3/4	176.787
3	217.241

*Calculated from data in U.S. Bureau of Mines Monograph 7.

Navajo Tract 138 - Well #3



Time	Test PSI	Well PSI	Volume	Corrected Volume	Comment
11:40	28	1025	2.441	2.348	volume is in MCF/Day X 1000
11:45	20	945	1.949	1.875	
11:50	17.5	890	1.792	1.724	
11:55	16.5	850	1.727	1.662	
12:00	16	825	1.694	1.630	opened pinched valve to 1/4 open
12:05	15.5	800	1.660	1.597	
12:10	21	760	2.012	1.936	
12:15	19.5	740	1.918	1.845	
12:20	20	710	1.949	1.875	
12:25	19	690	1.887	1.816	
12:30	18	670	1.824	1.755	
12:35	18	650	1.824	1.755	
12:40	18	650	1.824	1.755	
12:55	17	620	1.760	1.693	
13:10	16.5	610	1.727	1.662	
13:25	16	600	1.694	1.630	
13:40	16	595	1.694	1.630	
13:55	15.5	590	1.660	1.597	
14:10	15.5	590	1.660	1.597	
14:25	15.5	590	1.660	1.597	
14:40	15.5	590	1.660	1.597	
14:55	15.5	595	1.660	1.597	
15:10	15.5	600	1.660	1.597	

1-1/2" orifice on the end of 40' flowline

Flowline temp. estimated at 32°F ; Correction factor - 1.0281

Gas gravity estimated at .685 ; Correction factor - .9359

All volumes figured at 14.0 Atmosphere

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Dry Mesa Corporation

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) _____

3. Well Name Navajo Tract 138 #3

Location 760' FSL 2035' FEL Sec 2, T40N R28E Apache Co., AZ

Sec. 2 Twp. 40N Rge. 28E County Apache, Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo 14-20-603-4190

5. Field or Pool Name Dry Mesa Field

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTERNATE CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERM GRATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <u>Pipeline Hookup</u> <input checked="" type="checkbox"/>	ABANDONMENT <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Completion Report and Log form.)

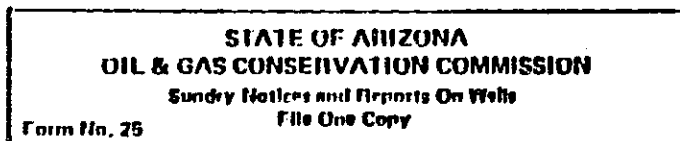
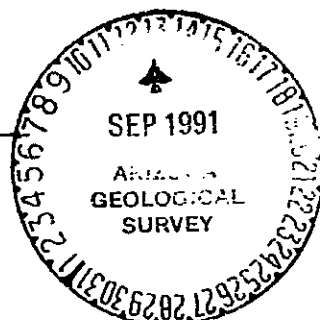
7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

A gas gathering line of length 1.1 miles running from Navajo Tract 138 Well #3 in Section 2, T40N- R28E to the gas sales line near Tract 138 Well #2 in Section 11, T40N- R28E has been constructed and tested. The line was built under direction of Western Gas Processors for Dry Mesa Corporation (line operator). The line consists of 4" continuously welded steel pipe and was buried to a depth of 4' where possible. A separator, meter run, and methanol injection system are located near the wellhead of Well #3. Condensate (if any) will flow into the existing flow line into the #3 oil tank battery. Produced water (if any) will go into a fenced evaporation tank. Initial line pressure will be 750 psi - 850 psi, initial gas volume will be 800 MCF/day. The line was pressure tested on 8/22/91 and production commenced on 8/30/91. A map showing the line's location is included.

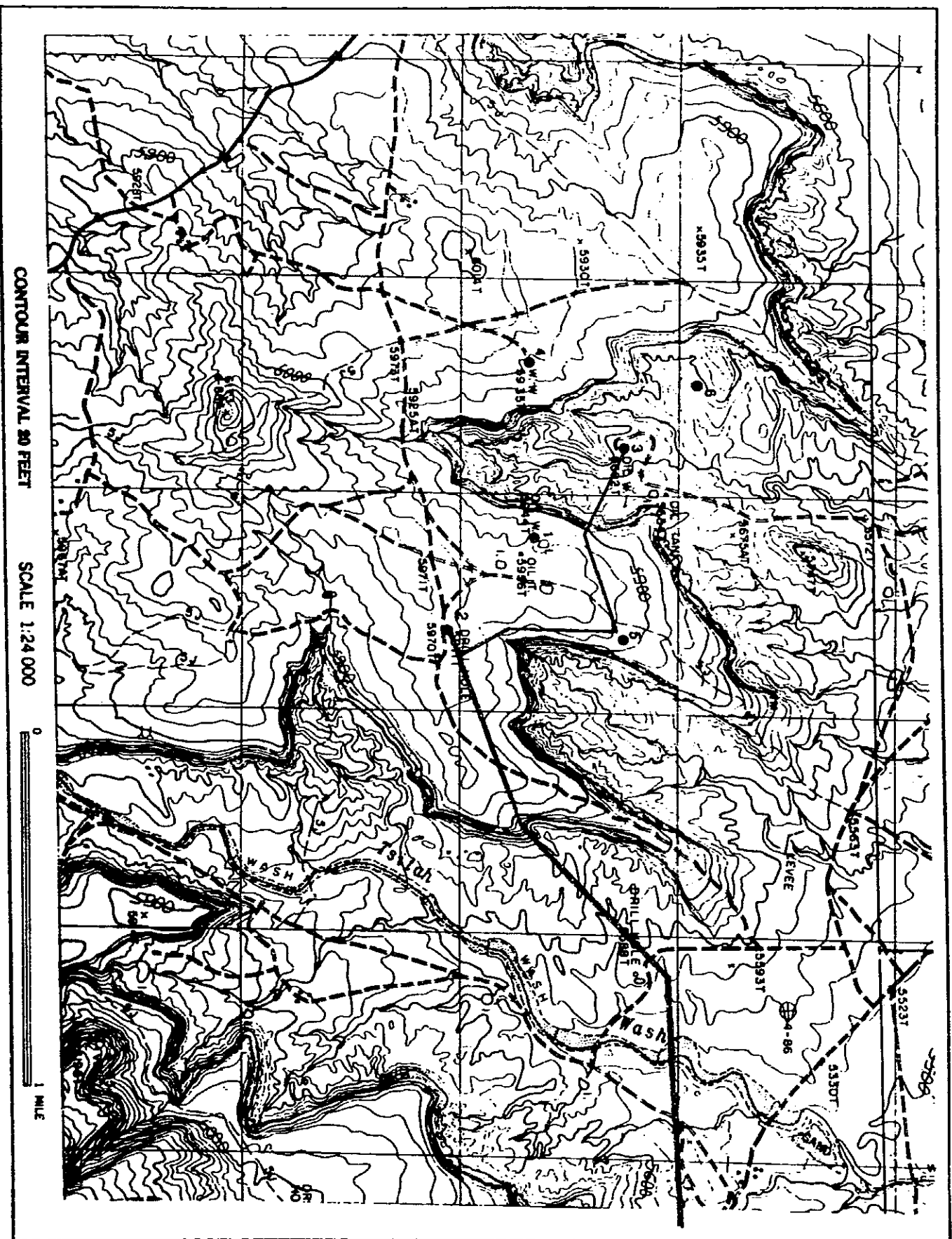
8. I hereby certify that the foregoing is true and correct.

Signed Robert J. Hays Title Geologist Date 9/4/91

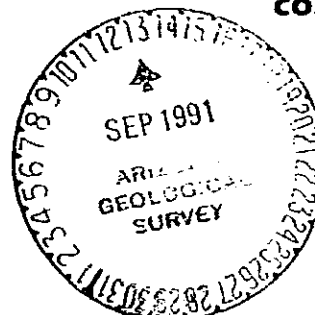
Permit No. 115



Dry Mesa Field
Apache County, Arizona



**MEASUREMENT
AUDITORS
COMPANY**



WESTERN GAS PROCESSORS (SJRP)
P.O. BOX 70
KIRTLAND, N.M. 87417

ATTN: TIM BATES

GAS CHROMATOGRAPH ANALYSIS

MAC CUST/STAT : 8724110300
CUST STAT NO :
CUST STAT NAME: NAVAJO TRACT 138#3 (PROD.-DRY MESA)
FIELD : SAN JUAN RIVER PLT
COUNTY : SAN JUAN
STATE : NM

SAMPLING DATE : 08/07/91
SAMPLED BY : L.B.
PRESSURE : 500
FLOW TEMP : N/A
ACCOUNT CODE : 0000-3200-01145NNNO1014
PRESSURE BASE : 14.696 DRY
SOURCE : MTR.RUN
ANALYZED BY : B.L.
DATE OF ANALYSIS : 08/08/91
RUN NUMBER : 3917

COMPONENT	CURRENT MOLE %	GPM @ 14.696 D	PREVIOUS
OXYGEN	0.00	0.000	0.00
CO2	3.21	0.000	0.00
NITROGEN	4.16	0.000	0.00
METHANE	82.11	0.000	0.00
ETHANE	6.12	1.633	0.00
PROPANE	2.56	0.704	0.00
I-BUTANE	0.35	0.114	0.00
N-BUTANE	0.79	0.249	0.00
I-PENTANE	0.20	0.073	0.00
N-PENTANE	0.00	0.000	0.00
HEXANES	0.00	0.000	0.00
HEPTANES +	0.00	0.000	0.00
H2S	0.50	0.000	0.00
HELIUM	N/A		
HYDROGEN	N/A		

TOTAL 100.00 2.773

SPECIFIC GRAVITY 0.6800 0.0000
GROSS BTU/CU. FT. @15.025 DRY 1073.9 0.0
GROSS BTU/CU. FT. @15.025 SAT 1055.7 0.0
GROSS BTU/CU. FT. @14.730 DRY 1052.8 0.0
GROSS BTU/CU. FT. @14.730 SAT 1034.5 0.0
GROSS BTU/CU. FT. @14.696 DRY 1050.4 0.0
GROSS BTU/CU. FT. @14.696 SAT 1032.1 0.0

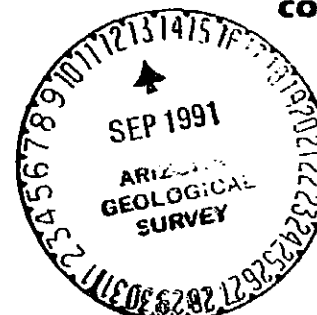
REMARKS : LEASE # 14-30-603-4190
*** I ESTIMATED THE H2S TO BE AT 0.50 ***

**MEASUREMENT
AUDITORS
COMPANY**

WESTERN GAS PROCESSORS (SJRP)
P.O. BOX 70
KIRTLAND, N.M. 87417

ATTN: TIM BATES

GAS CHROMATOGRAPH ANALYSIS



MAC CUST/STAT : 8724110300
CUST STAT NO :
CUST STAT NAME: NAVAJO TRACT 138#3 (PROD.-DRY MESA)
FIELD : SAN JUAN RIVER PLT
COUNTY : SAN JUAN
STATE : NM

SAMPLING DATE : 08/07/91
SAMPLED BY : L.B.
PRESSURE : 500
FLOW TEMP : N/A
ACCOUNT CODE : 0000-3200-01145NNN01014
PRESSURE BASE : 14.696 DR
SOURCE : MTR.RUN
ANALYZED BY : B.L.
DATE OF ANALYSIS : 08/08/91
RUN NUMBER : 3917

COMPONENT	CURRENT MOLE %	GPM @ 14.696 D	PREVIOUS
OXYGEN	0.00	0.000	0.00
CO2	3.21	0.000	0.00
NITROGEN	4.16	0.000	0.00
METHANE	82.11	0.000	0.00
ETHANE	6.12	1.633	0.00
PROPANE	2.56	0.704	0.00
I-BUTANE	0.35	0.114	0.00
N-BUTANE	0.79	0.249	0.00
I-PENTANE	0.20	0.073	0.00
N-PENTANE	0.00	0.000	0.00
HEXANES	0.00	0.000	0.00
HEPTANES +	0.00	0.000	0.00
H2S	0.50	0.000	0.00
HELIUM	N/A		
HYDROGEN	N/A		
TOTAL	100.00	2.773	

SPECIFIC GRAVITY	0.6800	0.0000
GROSS BTU/CU. FT. @15.025 DRY	1073.9	0.0
GROSS BTU/CU. FT. @15.025 SAT	1055.7	0.0
GROSS BTU/CU. FT. @14.730 DRY	1052.8	0.0
GROSS BTU/CU. FT. @14.730 SAT	1034.5	0.0
GROSS BTU/CU. FT. @14.696 DRY	1050.4	0.0
GROSS BTU/CU. FT. @14.696 SAT	1032.1	0.0

REMARKS : LEASE # 14-30-603-4190

*** I ESTIMATED THE H2S TO BE AT 0.50 ***

SUNDRY NOTICES AND REPORTS ON WELLS



1. Name of Operator Dry Mesa Corporation
 2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) _____
 3. Well Name Navajo Tract 138 Well #3
 Location 760' FSL 2035' FEL Sec 2, T40N - R28E
 Sec. 2 Twp. 40N Rge. 28E County Apache Arizona.
 4. Federal, State or Indian Lease Number, or lessor's name if fee lease 14-22-603-4190

5. Field or Pool Name Dry Mesa Field

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF	<input type="checkbox"/>	WATER SHUT-OFF	<input type="checkbox"/>
FRACURE TREAT	<input type="checkbox"/>	FRACURE TREATMENT	<input type="checkbox"/>
SHOOT ON ACIDIZE	<input type="checkbox"/>	SHOOTING ON ACIDIZING	<input checked="" type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	MONTHLY PROGRESS	<input type="checkbox"/>
(OTHER) _____	<input type="checkbox"/>	REPAIRING WELL	<input type="checkbox"/>
	<input type="checkbox"/>	ALTERING CASING	<input type="checkbox"/>
	<input type="checkbox"/>	ABANDONMENT	<input type="checkbox"/>
	<input type="checkbox"/>	(OTHER) _____	<input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recombination (Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

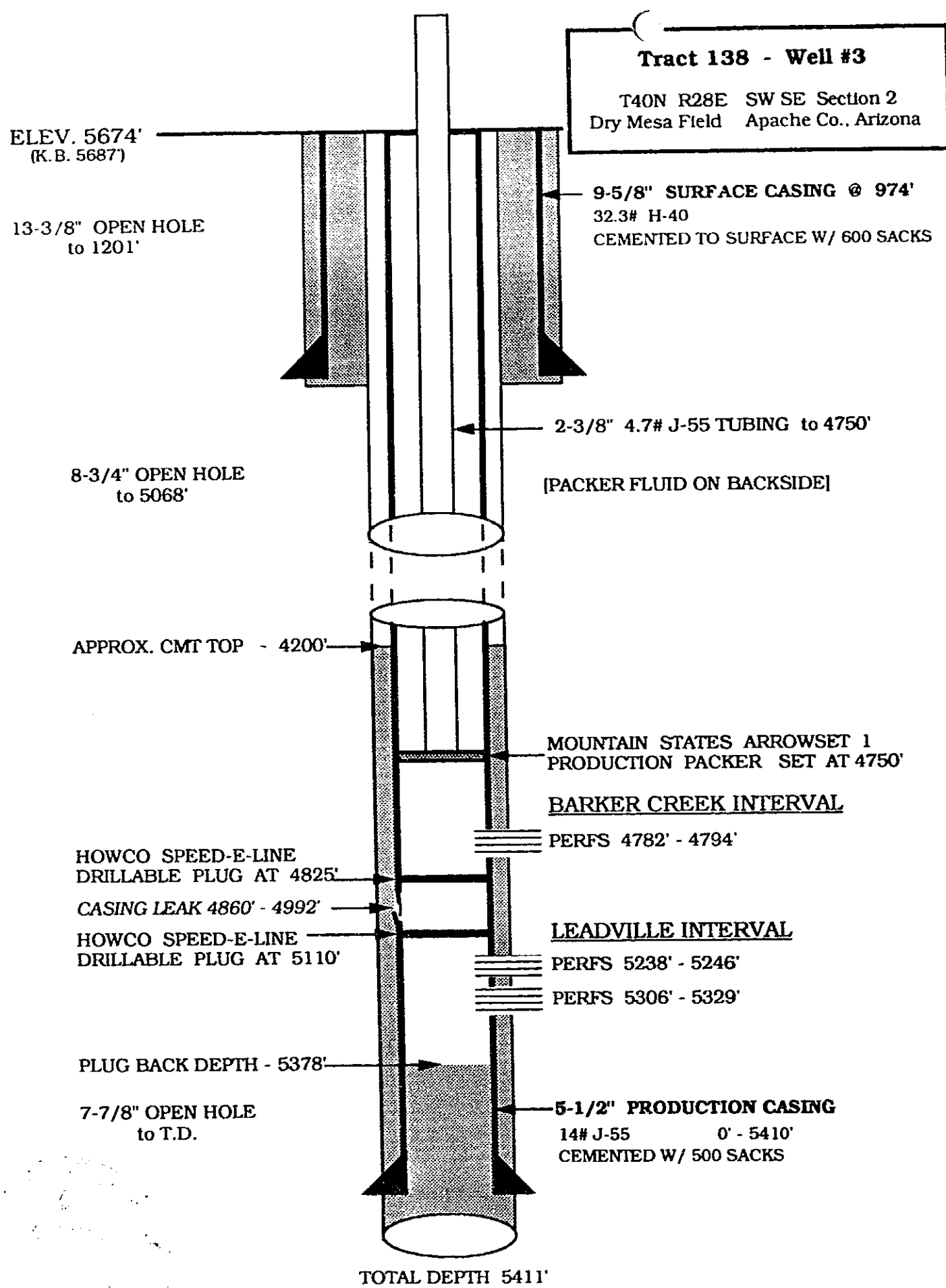
Well conversion from low volume oil well to producing gas well. Procedure described on enclosed documents. Well completion form will be filed after production rates are established. Enclosed are CBL, construction information, and well bore sketch.

8. I hereby certify that the foregoing is true and correct.

Signed Robert J. Hanel Title Geologist Date 8/12/91

Permit No. 115

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 Form No. 25
 File One Copy



DRY MESA CORPORATION
August 1991

Navajo Tract 138

Well #3

Sec 2, T40N - R28E Apache County, Arizona

(workover to convert well to a Barker Creek gas well)

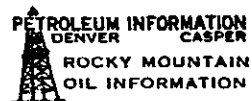
- 8/2/91 RU Big 'A' Well Service Rig #12. Bleed down well. Unseat pump. Pull and lay down rods and pump. Change over to tubing. Nipple down wellhead. Unseat tubing anchor. Nipple up BOP stack. POOH w/ tubing. Lay down 9 joints. Shut well in.
- 8/3/91 RU Halliburton wireline. Set Howco Speed-E-Line drillable plug at 5110'. Filled hole with produced water. Pressured hole to 500 psi, pressure leaked off. RIH w/ tubing and Mountain States Arrowset 1 Production Packer to 2400'. Set packer and pressured casing to 500 psi, pressure held. CIRC well to remove slug of gas. Unseated packer and TIH to 3800'. Set packer and pressured casing to 500 psi, pressure held. Unseated packer and TIH to 4992'. Set packer and pressured casing to 500 psi, pressure leaked off. Pressured tubing to 500 psi, pressure held [plug did not leak]. Attempted to pressure tubing string to 3500 psi, tubing joint ruptured at 2100 psi. POOH w/ tubing and packer. Ran CBL from 5110' - 4595'. CBL showed good bond over perf interval. Replaced split tubing joint and TIH with tubing and packer to find casing leak. Set packer at 4740' and pressured casing to 500 psi, pressure held. Unseated packer and TIH to 4800'. Set packer and pressured casing to 500 psi, pressure held. Unseated packer and TIH to 4860'. Set packer and pressured casing to 500 psi, pressure held. Unseated packer and TIH to 4928'. Set packer and pressured casing to 500 psi, pressure leaked off. Pressured tubing to 500 psi, pressure leaked off [casing leak between 4860' - 4992']. POOH w/ packer and tubing. RU wireline. Set second Speed-E-Line drillable plug at 4825'. RIH w/ tubing and packer to 4750'. Set packer and pressured tubing to 500 psi, pressure held. POOH w/ tubing and packer. RIH with perf gun. Perforated 4782' - 4794' w/ 2 shots/ft - 4" perf gun. Shut well in.

8/4/91 Hydrottested tubing string to 4500 psi - blew 9 joints. RIH w/ tubing and packer to 4750'. CIRC packer fluid through backside. Set packer at 4750'. Pressured casing to 500 psi, pressure held. RU swab. Made 3 swab runs to clear tubing, well started gassing. RU Smith Energy for acid job. Pumped 2,500 gals 15% HCL w/ 3 gals inhibitor followed by 27 bl water flush. Maximum treatment pressure was 2800 psi, well broke back to 1200 psi at 6 bl/min rate. RD Smith. RD BOP stack and installed wellhead w/ tree. RU swab. Made 4 swab runs, well began to unload gas and acid water. Flowed well for 3 hours. Shut well in.

8/5/91 Well had 1050 psi on wellhead gauge. Opened well to pit and flowed acid water and gas. RD Big 'A' rig. Western Gas Processors tested well with 1-1/4" orifice at end of flowline. Well stabilized at 1559 MCF/day rate at 595 psi wellhead pressure. Gas tested 3370 ppm H2S on portable tester. Shut well in. Wait on further testing and pipeline hookup.

END OF REPORT

ARIZONA
APACHE COUNTY
DRY MESA (D)



Twp 40n-28e
Section 2
SW 36
760 n/s 2035 w/e

OPR: Texas Pacific Coal & Oil

WELL #: 3 Navajo-138

ELEV: 5687 KB.

DSTS. & CORES:

SPUD: 5-23-60

COMPL: 7-20-60

*TOPS: Log-~~XXXX~~
Shinarump 1792
Coconino 2062
Hermosa 3766
Molas 5122
Mississippian 5180

TD: 5411 PB:
CSG: 9-5/8" @ 988 w/600; 5 1/2" @ 5410
w/500.

PERF: Perf 5306-29 w/4 per ft; acidized;
swbd 74 BO, 7 bbls acid wtr in 24
hrs. Reacidized.

PROD. ZONE:

INIT. PROD: IPP 166 BO, 48 BWPD, 39.3
gty, GOR 271-1.

Contr: Rutledge

*For Electric Logs on Rocky Mountain Wells—Ask Us! Log #29635

Ariz. 2-067150

Form 3160-3
(November 1983)
(formerly 9-331C)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☐ DEEPEN ☐ PLUG BACK ☒

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
DRY MESA CORPORATION

3. ADDRESS OF OPERATOR
P. O. BOX 5446 FARMINGTON, N.M. 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface SW SE or 750' FSL, 2035' FEL T40N R28E SEC 2

At proposed prod. zone
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
11 MILES WEST OF TEEC NOS POS

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any) 3,300'

16. NO. OF ACRES IN LEASE
2360

17. NO. OF ACRES ASSIGNED
TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 1,350'

19. PROPOSED DEPTH
TD is 5411'

20. ROTARY OR CABLE TOOLS

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 5674' KB 5687'

22. APPROX. DATE WORK WILL START*
AUG 1, 1991

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13 3/8"	9 5/8"	32.3 #	974'	600 SACKS
8 3/4"				
7 7/8"	5 1/2"	14 #	5410'	500 SACKS

Tract 138 Well #3 is perforated at 5238' - 5246, and 5306' - 5329' in the

Mississippian Leadville formation. The well was completed as an oil producer in 1961 and has

made over 460,000 bbl oil and 500,000 bbl water. Currently, the well produces 7 - 15 bbls

oil/day with 120 - 150 bbls water/day.

Dry Mesa Corporation proposes to temporarily abandon the Leadville perfs with a

retrievable plug and perforate the Pennsylvanian Barker Creek Member of the Paradox

Formation at 4782' - 4794'. The Barker Creek tested gas at rates up to 1,900 MCF/day on

drill stem test. The gas would be marketed through the new gas sales line serving Dry Mesa

Field.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Bob Howard TITLE GEOLOGIST DATE 7/9/91

(This space for Federal or State office use)

PERMIT NO. 115 APPROVAL DATE 7-16-91

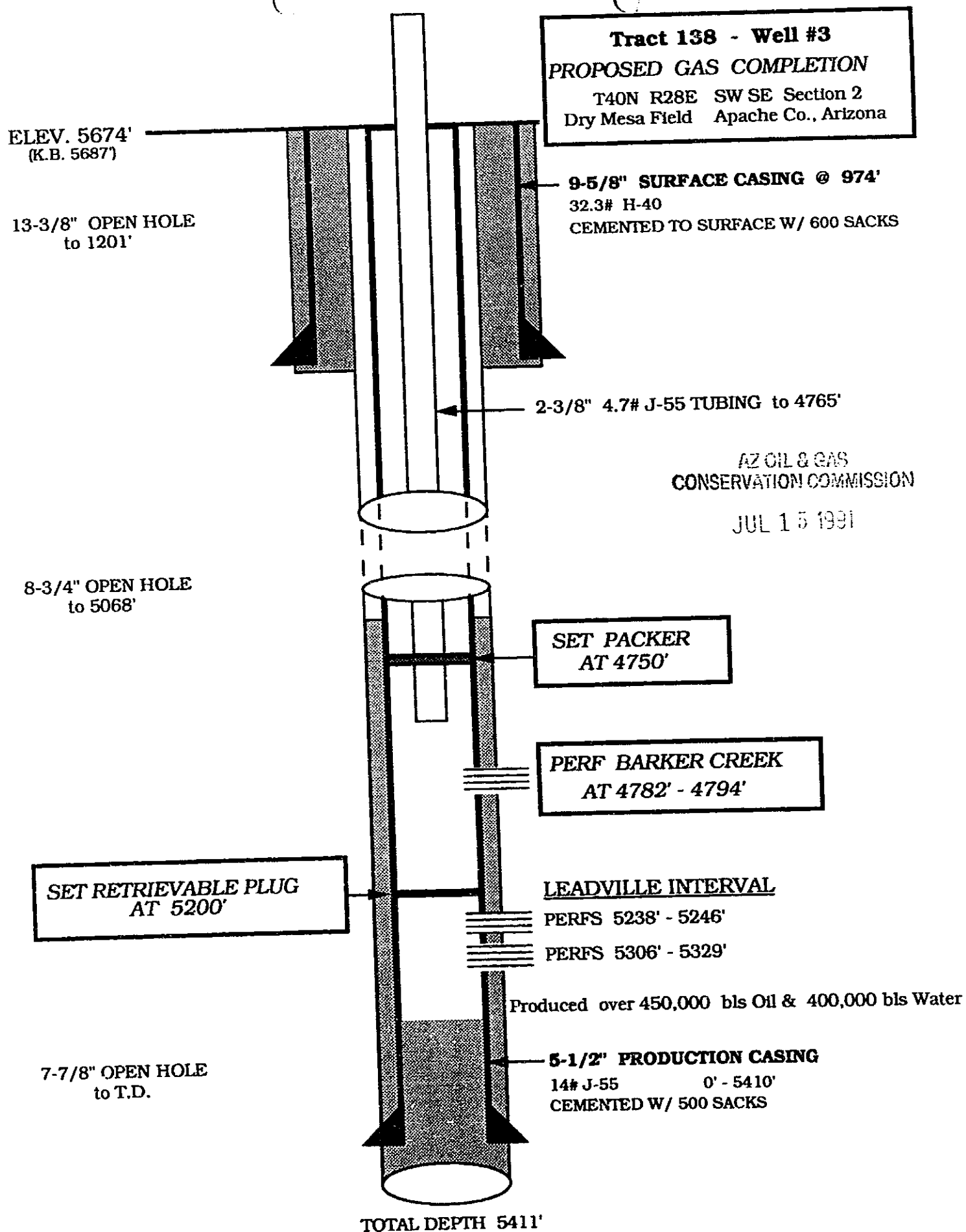
APPROVED BY Steven L. Raring TITLE Oil & Gas Program Admin DATE 7-16-91

CONDITIONS OF APPROVAL, IF ANY: 1- Adequate ROPE used 4- Copies full logs + test results filed.
2- 48 hr notification
3- Sanding reports filed weekly
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

AZ OIL & GAS
CONSERVATION COMMISSION

JUL 15 1991



WORKOVER TO CONVERT #3 TO GAS WELL

RIG UP, PULL RODS, TUBING, PUMP
SET RETRIEVABLE PLUG ON WIRELINE AT 5200'
FILL HOLE W/ WATER, TEST PLUG TO 1000 psi
RUN CBL OVER GAS INTERVAL (4850' - 4700')
PERF 4782' - 4794' W/ 2 SHOTS PER FOOT 4" GUN
SWAB FLUID OUT - TEST FOR GAS
SHUT WELL IN - KILL WITH KCL WATER IF NEEDED
RUN IN W/ TUBING AND PACKER
SET PACKER AT 4750' - FILL BACKSIDE W/ PACKER FLUID
OBSERVE WELL FOR FLOW - CHANGE WELL HEAD TO MASTER VALVE & TREE
ACIDIZE W/ 2500 GAL 15% HCL
SWAB, RIG DOWN, TEST WELL
SET SEPERATOR, RUN GAS LINE

AZ OIL & GAS
CONSERVATION COMMISSION

JUL 15 1991

**OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL OR GAS FROM LEASE**

Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-4190	Field Dry Mesa	Reservoir Leadville
Survey or Sec-Twp-Rge Sec 1.2.11.12, T40N.R28E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) Gary-Williams Energy Corporation		
Transporter's street address 370 17th Street, Suite 5300	City Denver	State Colorado 80202-5653
Field address 89 Road 4990, Bloomfield, New Mexico 87413		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the oil from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer	% transported	Product transported
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change.		
<p align="center">This form is submitted because a change gatherer for the oil. The change was effective July 1, 1990</p>		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

August 24, 1990
Date

Kenneth Dahl
Signature

Date approved: _____
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
 By *[Signature]* *8/24/90*
 Permit No. 115

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
 Operator's Certificate of Compliance & Authorization to
 Transport Oil or Gas from Lease
 File Two Copies
 Form No. 8

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease 14-20-603-4190	Field Dry Mesa	Reservoir Leadville
Survey or Sec-Twp-Rge Sec. 2, T40N, R28E	County Apache	State Arizona
Operator Dry Mesa Corporation		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street P. O. Box 5446	City Farmington	State New Mexico 87499
Above named operator authorizes (name of transporter) The Permian Corporation		
Transporter's street address P. O. Box 1183	City Houston	State Texas 77251
Field address 2502 West Main, Farmington, New Mexico 87501		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the Oil from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer Hay Hot Oil	% transported 100	Product transported water produced from lease
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change Of Operator February 1, 1989		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President, Sec.-Treasurer of the Dry Mesa Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 4-12-89 Signature Kenneth E. Durl

Date approved: 1/9/90

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: [Signature]

Permit No: 852 + 115,77,106

RECEIVED

APR 19 1989

O & G CON. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies

Form No. 8

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0114
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.
14-20-603-4190

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Navajo 115

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Navajo Tract 138

9. WELL NO.

3

10. FIELD AND POOL OR WILDCAT

Dry Mesa

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 2, T40N, R28E

C&SRM

12. COUNTY OR PARISH 13. STATE

Apache AZ

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Dry Mesa Corporation

3. ADDRESS OF OPERATOR

#15 Willowbrook, Wichita, Kansas 67207
See also space 17 below
At surface

760' FSL & 2035' FEL, Sec. 2, T40N, R28E

14. PERMIT NO. 15. ELEVATION (Show whether OF RT, OK, etc.)

115 5679' GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO

1. TEST WATER SHUT OFF

2. TEST WATER

3. TEST WATER

4. TEST WATER

5. TEST WATER

6. TEST WATER

7. TEST WATER

8. TEST WATER

9. TEST WATER

10. TEST WATER

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SUBSEQUENT REPORT OF:

1. WATER SHUT OFF

2. WATER TREATMENT

3. SHUTTING IN WELL

4. TEST

5. Report of results of multiple completion or Well

6. Completion or re-completion Report and Log

7. Completion or re-completion Report and Log

8. Completion or re-completion Report and Log

9. Completion or re-completion Report and Log

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49. Completion or re-completion Report and Log

50. Completion or re-completion Report and Log

18. I hereby certify that the foregoing is true and correct

SIGNED

Kenneth S. [Signature]

TITLE President

DATE

5/16/89

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

AZ OIL & GAS
CONSERVATION COMMISSION

MAY 19 1989

STATE LAND DEPARTMENT
STATE OF ARIZONA

Form O&G 52

Form Prescribed Under Oil and Gas Conservation Act of 1951
WELL COMPLETION REPORT
(File in Duplicate)

Operator Texas Pacific Coal and Oil Company Field Dry Mesa
Street P. O. Box 2110 Pool Mississippian
City Fort Worth 1. State Texas County Apache
Lease Name Navajo Tract 138 Well No. 3 Acres in Unit 40
Location 760' from South line and 2035' from East line of Section
Sec. 2 Twp. 40N Rge. 28E
Elevation DF 5687 GR 5674 Electric Log Run 6-18 19 60
Number of Crude Oil Producing Wells on this Lease, including this well 3
Has Authorization to Transport Oil or Gas from Well, Form O&G 57 been filed? Attached

OFFICIAL COMPLETION GAUGE

Date Test Commenced 7-11-1960 Hour M. Date Test Completed 7-12-1960 Hour M.
Length of Test 24 Hours - Minutes
For Flowing Well: For Pumping Well:
Flowing pressure on Tbg. lbs./sq. in. Length of stroke used 64 inches
Flowing pressure on csg. lbs./sq. in. Number of strokes per min. 12 1/2
Size tbg. in. No. ft. run Size of working barrel 1 3/4 inches
Size choke in. Type choke Size tubing 2 in. No. ft. run 5360
Length in. Shut in pressure
If flowing well, was this well flowed for the entire duration of this test
without the use of swab or other artificial flow device? If jetted, used
cu. ft. gas per bbl. oil. Result of this test (bbls. net oil per 24 hrs.)
(100% tank tables.)
Gas-Oil ratio of this well is 271 cu. ft. of gas per bbl. of oil.
Per cent water produced during this test 12%
Gravity of oil produced during this test (Corrected to A. P. I. 60° F) 39.5
Name of Pipe Line or other carrier McWood Corporation
If perforated: No. Shots 92 From 5306 To 5329 Date Perforated 6-23-60
Date well Spudded 5-23- 19 60 Date Well Completed 7-10- 19 60
Top Pay 5306 Ft. Total depth of well 5411 Ft.

CASING LINER AND TUBING RECORD

String	Size	Wt./Ft.	Name and Type	Amount Ft. In.	Depth Set at	Perforated From To
Surface	9 5/8	32.30	Smls. H-40	974-3	987	-
Prod.	5 1/2	14	Smls. J-55	5413-11	5410	5306 5329

CEMENT AND TESTING RECORD

Size of Hole	String	Where Cement Placed	No. Sacks of Cement	Method Used	Pressure Applied in Testing	Hardness of Cement Drilled	Type of Cement
13 3/4	Surface	Circ.	600	Pump	1000	Firm	Reg.
8 3/4	Prod.	5411-3925	500	Pump	1500	Firm	Reg.

CHEMICAL OR SHOOTING RECORD BEFORE COMPLETION

Size	Chemical or	Quantity	Date	From	Depth to
	Mud Acid	500 gal.		5306	5329
	15% Acid	1500 gal.		5306	5329

AFFIDAVIT

I, D. A. Bonney, being first duly sworn on oath state that I have know-
ledge of the facts and matter herein set forth and that the same are true and
correct.

D. A. Bonney Manager of Production
Representative of Company

Subscribed and sworn to before me this 20th day of July 19 60

Tarrant County, Texas

Ruth Barfield Notary Public
Ruth Barfield

My Commission expires: 6-1-61

GAS-OIL RATIO TEST REPORTS

Filed under Oil-Gas Ratio Tests, Dry Mesa Field,
in cabinet in office of Enforcement Director

#115

TEXAS PACIFIC COAL AND OIL COMPANY

NAVAJO TRACT 138 WELL NO. 3

SW/4 SE/4 Section 2, 40N, 28E, Apache County, Arizona

Log of cores and drill stem tests:

DST #1 4577-4607'

Tool open 2 hrs. GTS 7 mins. Est. 100 MCFPD. Rec. 270' Gas Cut mud w/strong sulphur odor. IFP 100#, FFP 130#, ISIP 1415#, FSIP 1415#.

DST #2 4780-4831' - Misrun

DST #3 4780-4831'

Tool open 55 mins. GTS 2 mins. Est. 1,900 MCFPD. Strong sulphur odor. Rec. 45' mud, w/sulphur odor, IFP 295#, FFP 295#, ISIP 1482#, FSIP 1482#.

DST #4 4850-4878'

Tool open 70 mins. GTS 6 mins. Est. 25 MCFPD, Rec. 50' gas-cut mud, w/sulphur odor. IFP 65#-22#, FFP 65#-22#, FSIP 1515#.

DST #5 5282-5346'

Tool open 4 1/2 hrs. GTS 3 3/4 hrs. Rec. 350' oil and gas cut mud, 150' Hvy. oil and gas cut mud. IFP 48#, FFP 225#, ISIP 1555#, FSIP 1555#.

DST #6 5347-5371'

Tool open 2 hrs. Weak to very weak flow. Rec. 865' gas in drill pipe, 35' oil and gas cut mud, 450' Hvy. oil and gas cut mud, w/sulphur odor. IFP 77#, FFP 213#, ISIP 1558#, FSIP 1543#.

Core #1 5332-5346'

Rec. 14' Dolomite w/vuggy porosity, bleeding some oil and water.

Core #2 5346-5371'

Rec. 25' Dolomite w/vertical fractures, vuggy porosity, bleeding some oil and bleeding water.

X-Chrono
X-Lambert

June 4, 1969

Memo from J. Lambert

Re: Texas Pacific Coal & Oil Navajo 138-3
T40N, R28E, G & SRM
Sec. 2: SW/4 SE/4
Apache County
Permit #115

Texas Pacific Coal & Oil Tract 138-1
T40N, R28E, G & SRM
Sec. 11: NE/4 NE/4
Apache County
Permit #77 X

A perusal of the replies from Permian and Monsanto indicates that there is a difference of approximately one tank number--ticket number delivery. These files will be reviewed when the May report is made to determine if the ticket has been picked up.

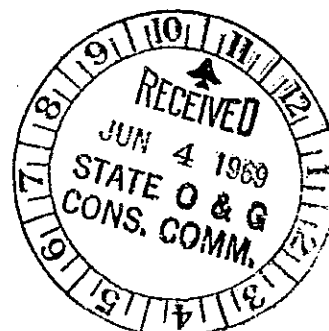
74

MONSANTO COMPANY

Runs recorded on the Navajo - 138 during the month of April

<u>TANK NUMBER</u>	<u>TICKET NUMBER</u>	<u>VOLUME</u>	<u>DATE</u>
8332	800987	219.06	4/3/69
2921	800988	218.60	4/3/69
8333	800989	219.06	4/3/69
2923	801946	219.57	4/11/69
2921	800990	219.26	4/16/69
8334	800991	219.50	4/17/69
8333	800992	218.40	4/21/69
8332	800993	218.29	4/22/69
2922	784356	217.53	4/22/69
2920	800994	218.16	4/23/69

TOTAL VOLUME 2187.43



115✓
77

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State or Indian Lease Number, or lessor's name if fee lease Navajo 12-20-003-4190	Field Dry Mesa	Reservoir
Survey or Sec-Twp-Rge Secs. 1,2,11&12, T40N, R28E	County Apache	State Arizona
Operator Monsanto Company		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street 900 Patterson Building	City Denver,	State Colorado 80202
Above named operator authorizes (name of transporter) The Permian Corporation		
Transporter's street address P. O. Box 3119	City Midland,	State Texas 79701
Field address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100 % of the Oil	from said lease.
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer None	% transported	Product transported
-		
-		
-		
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change of Gatherer.		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the District Production Supt. of the Monsanto (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

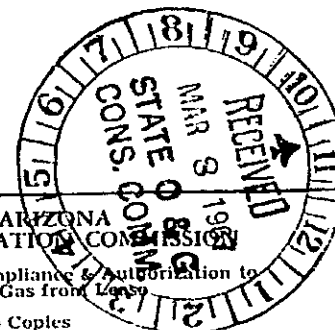
March 6, 1967
Date

Signature J. Murphy, Jr.

Date approved: 3-9-67
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: John Bannister
Permit No. 77 (115)

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Operator's Certificate of Compliance & Authorization to
Transport Oil or Gas from Lease
File Two Copies
Form No. 8



Form 9-1123
(Rev. Dec. 1957)

(Submit in triplicate to appropriate
Regional Oil and Gas or Mining Supervisor

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of ~~Land Management~~ Indian Affairs,
holder of lease

DISTRICT LAND OFFICE: Wind River, Arizona
SERIAL NO.: Navajo Tribal Contract No. 14-20-603-4190

and hereby designates

NAME: Monsanto Company
ADDRESS: 1300 Main Street, Houston, Texas

as his operator and local agent, with full authority to act in his be-
half in complying with the terms of the lease and regulations applicabl
thereto and on whom the supervisor or his representative may serve
written or oral instructions in securing compliance with the Operating
Regulations with respect to (describe acreage to which this designation
is applicable):

Township 40 North, Range 28 East, G. & S. R. M.
Apache County, Arizona

Section 1: All Section 11: All
Section 2: All Section 12: All

It is understood that this designation of operator does not relieve the
lessee of responsibility for compliance with the terms of the lease and
the Operating Regulations. It is also understood that this designator
of operator does not constitute an assignment of any interest in the
lease.

In case of default on the part of the designated operator, the lessee
will make full and prompt compliance with all regulations, lease terms,
or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in
the designated operator.

SUN OIL COMPANY

By: 

Lessee

Attorney-in-Fact

August 3, 1964
(Date)

P. O. Box 1798
Address

Denver, Colorado

#115

8-7-81
Form 9-1123
(Rev. Dec. 1957)

FARMINGTON OFFICE COPY
(Submit duplicate to appropriate
Regional Oil and Gas or Mining Supervisor)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Window Rock, Arizona (Navajo Tribe of Indians)
SERIAL NO.: Contract No. 14-20-603-4190

and hereby designates

NAME: Monsanto Chemical Company, Hydrocarbons Division
ADDRESS: 900 Patterson Bldg., Denver, Colorado 802020

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

All of Fractional Sections 1 and 2, all of Sections 11 and 12,
Township 40 North, Range 26 East, Apache County, Arizona.

RECEIVED

AUG 7 1964

U. S. GEOLOGICAL SURVEY

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

JOSEPH E. SEAGRAM & SONS, INC.

By *Joseph E. Seagram*
(Signature of lessee) Attorney-in-Fact

July 29, 1964
(Date)

P.O. Box 2110, Fort Worth, Texas
(Address)

U. S. GOVERNMENT PRINTING OFFICE 16-52268-3



Ed Seaberg

#115

NEW WELL COMPLETION
(OFFICIAL COMPLETION GAUGE)

Date of First Production Test 7-10-60 Date of Completion Gauge 7-12-60

Total Oil saved while testing well prior to the date of the official completion gauge 200 Barrels.

Production Gauge on 24 Hour Basis 219 Bbl. Oil; 12 % Water; 52.6 MCF Gas.

The undersigned certifies that the Rules and Regulations of the Commissioner have been complied with except as noted above, and that the transporter('s) authorized to transport the percentage of Oil and/or Gas produced from the above described drilling unit, and that this authorization will be valid until further notice to the transporter named herein or until cancelled by the Commissioner.

Executed this the 20th day of July 19 60.

TEXAS PACIFIC COAL AND OIL COMPANY
(Company or Operator)

D. A. Bonney Manager of Production
(Affiant) (Title)

STATE OF TEXAS

COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared _____

D. A. Bonney, known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me this the 20th day of July 19 60.

Ruth Barfield Ruth Barfield
Notary Public in and For
Tarrant County, Texas

Approved: M. J. Wharton

COMMISSIONER

By: _____

(FOLLOW INSTRUCTIONS ON INSTRUCTION SHEET)

FORM O&G 57
SHEET NO. 1

1. Form Prescribed Under Oil and Gas Conservation Act 1951.

2. This form is to be completed on both sides.

Lease Navajo Tract 138 Well No. 3 Field Dry Mesa

Sec. 2 Twp. 40-N Rge. 28-E Cty. Apache Pool

Producer TEXAS PACIFIC COAL AND OIL COMPANY

Address all correspondence concerning this form to: D. A. Bonney

Street P.O.Box 2110 City Fort Worth State Texas

The above named producer hereby authorizes McWood Corp. (Trucks)
(Name of Transporter)

Whose principal place of business is: 364 Petroleum Bldg., Abilene, Texas
(Street) (City) (State)

And whose Field Address is: P. O. Box 1702, Farmington, New Mexico

to transport 100 % of the Oil or Gas produced from the Drilling Unit designated above until further notice.

Other transporters transporting Oil or Gas from this drilling unit are:

	%	%
(Name of Transporter)		(Name of Transporter)

REMARKS:

(OVER)

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

APPLICATION TO DRILL ☒ DEEPEN ☐ PLUG BACK ☐

NAME OF COMPANY OR OPERATOR

DATE

TEXAS PACIFIC COAL AND OIL COMPANY

May 6, 1960

Address

P. O. Box 2110

City

Fort Worth 1,

State

Texas

DESCRIPTION OF WELL AND LEASE

Name of lease

Navajo Tract 138

Well number

3

Elevation (ground)

5674

Well location

(give footage from section lines)

Section—township—range or block & survey

760' from South line; 2035' from East line of

2

40N

28E

CS&RM

Field & reservoir (If wildcat, so state)

Dry Mesa Mississippian

County

Apache

Distance, in miles, and direction from nearest town or post office

65 miles West of Shiprock, New Mexico

Nearest distance from proposed location to property or lease line:

3,300

feet

Distance from proposed location to nearest drilling, completed or applied—for well on the same lease:

1,875

feet

Proposed depth:

6,000'

Rotary or cable tools

Rotary

Approx. date work will start

May 15, 1960

Number of acres in lease:

2,357

Number of wells on lease, including this well, completed in or drilling to this reservoir:

3

If lease, purchased with one or more wells drilled, from whom purchased:

None

Name

Address

Status of bond

Blanket Bond on File

Remarks: (If this is an application to deepen or plug back, briefly describe work to be done, giving present producing zone and expected new producing zone)

* Fill in Proposed Casing Program on other side

Manager of Production

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the.....of the

Texas Pacific Coal and Oil Company

(company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

May 6, 1960

Date

Signature

D.A. Donney

Permit Number:

Approval Date:

Approved By:

Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.
See Instruction on Reverse Side of Form

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION

Application to Drill, Deepen or Plug Back

Form No. P-1

File two copies

Authorized by Order No.

4-6-59

Effective April 6, 19 59

INSTRUCTIONS

READ CAREFULLY AND COMPLY FULLY

For the purpose of this determination attach hereto a neat, accurate plat, map or sketch of this lease, section, block or lot locating thereon the proposed site for this location. Plat shall be drawn to a scale which will permit the facile observation of all pertinent data. Show distances of the proposed well from the two nearest lease and section lines, and from the nearest wells on the same lease completed in or drilling to the same reservoir. If the location requested is not in conformance with the applicable well-spacing rules, show all off-setting wells to the proposed well, and the names and addresses of all adjoining lease or property owners.

In event plat is filed for the purpose of designating the drilling and producing unit, or proration unit, on which the proposed well is to be drilled, the boundaries of such unit shall be shown, also the boundaries of all other such units attributed to other wells on the same lease completed in or drilling to the same reservoir. The acreage contained within each unit shall also be shown.

Do not confuse survey lines with lease lines. The sketch or plat should show your entire lease if possible. If it is not practical to show the entire lease and the plat shows only a section, block or lot out of your lease, you should clearly show that same is only a part of the lease.

Designate scale to which plat or sketch is drawn. Also designate northerly direction on the sketch or plat.

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
9 5/8	32.30	H-40	0	1000'	Circulate	900
5 1/2	15.50 17	J-55	0	6000'	4400-6000	500

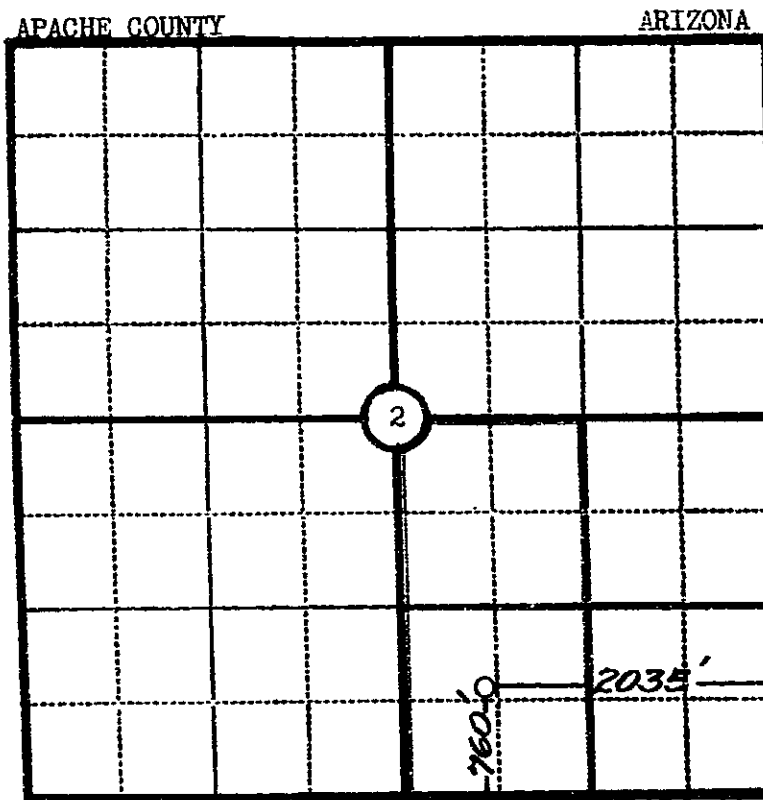
Company TEXAS PACIFIC COAL AND OIL COMPANY

Lease NAVAJO Well No. 23 3

Sec. 2, T. 40 N., R. 28 E., G. & S. R. M.

Location 760' FROM THE SOUTH LINE AND 2035' FROM THE EAST LINE.

Elevation 5674.0 UNGRADED GROUND,



This is to certify that the above plot was prepared from field note of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.



Seal:

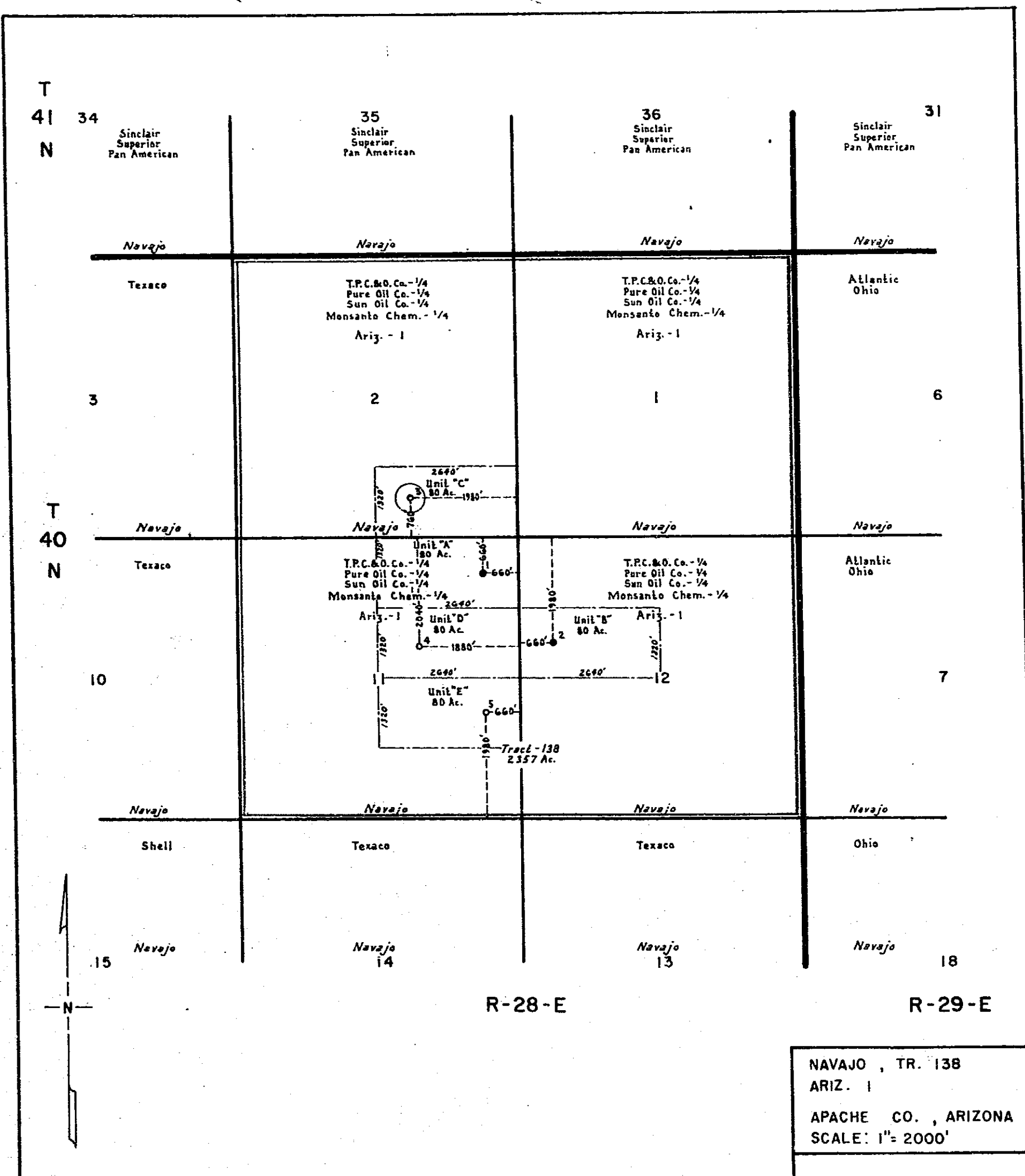
James P. Leese

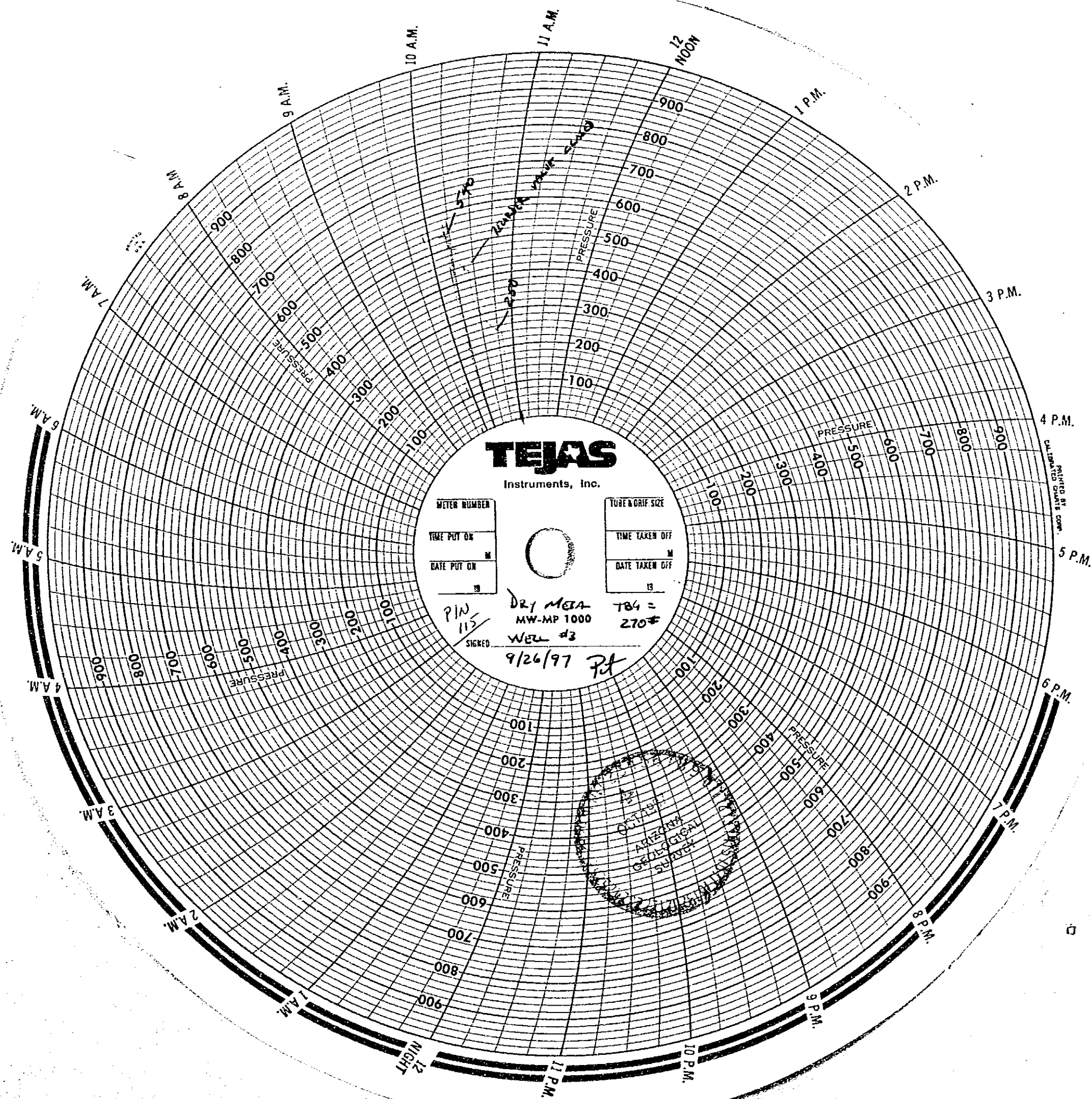
Registered Land Surveyor.
James P. Leese
Arizona Reg. No. 1849

Surveyed

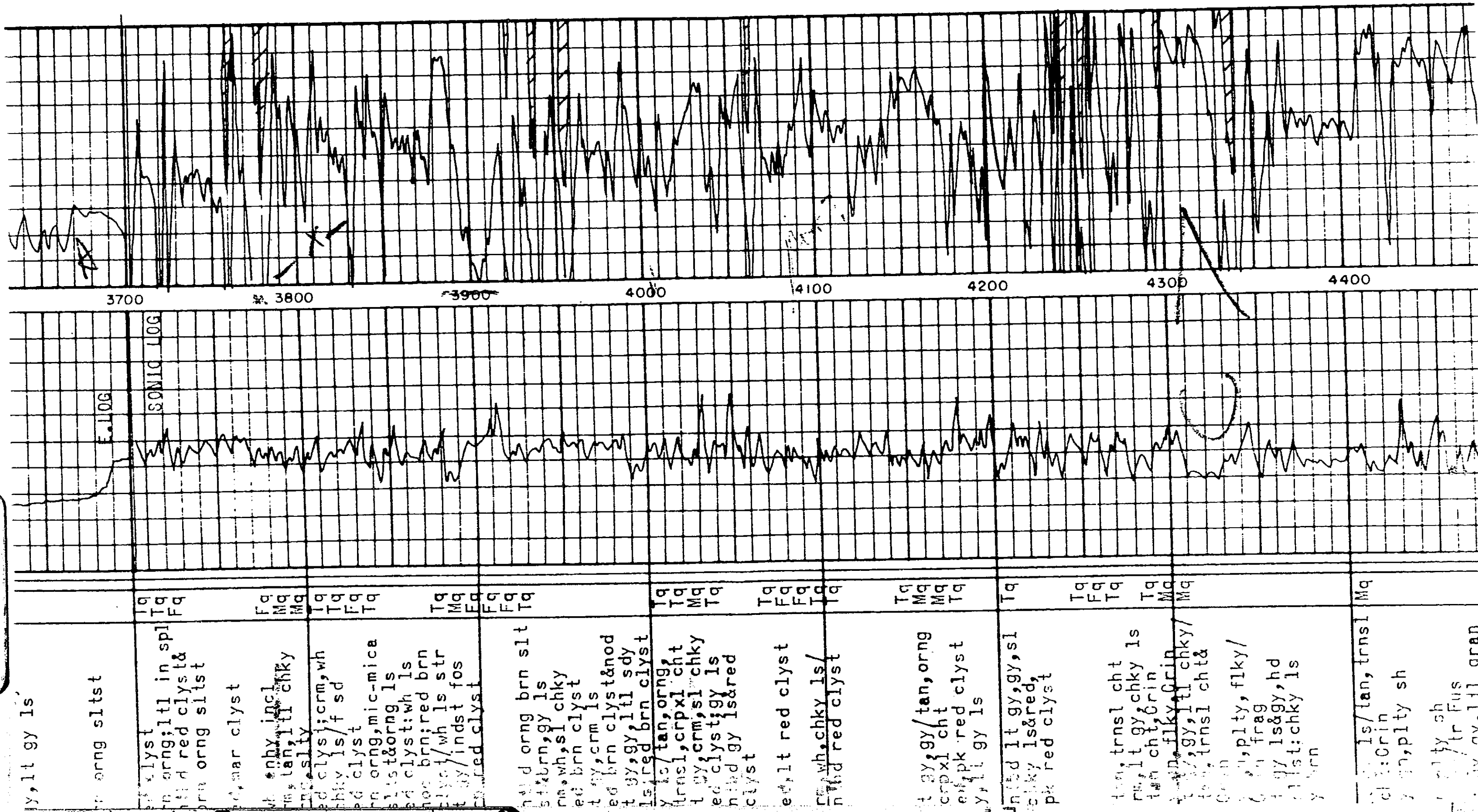
25 January, 1960

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

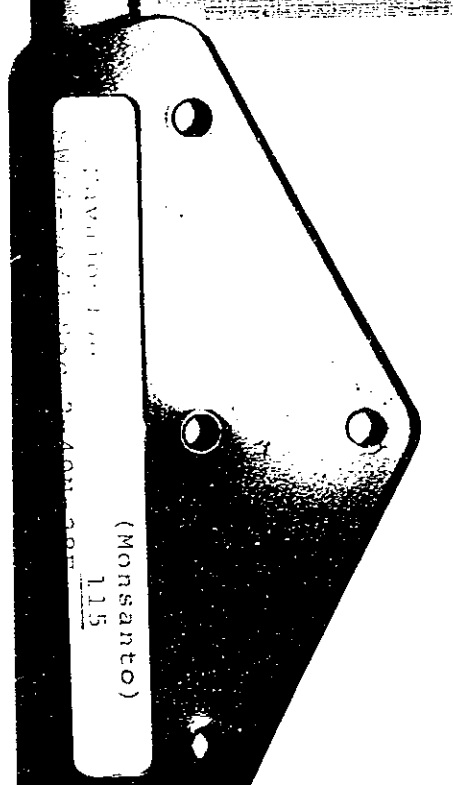




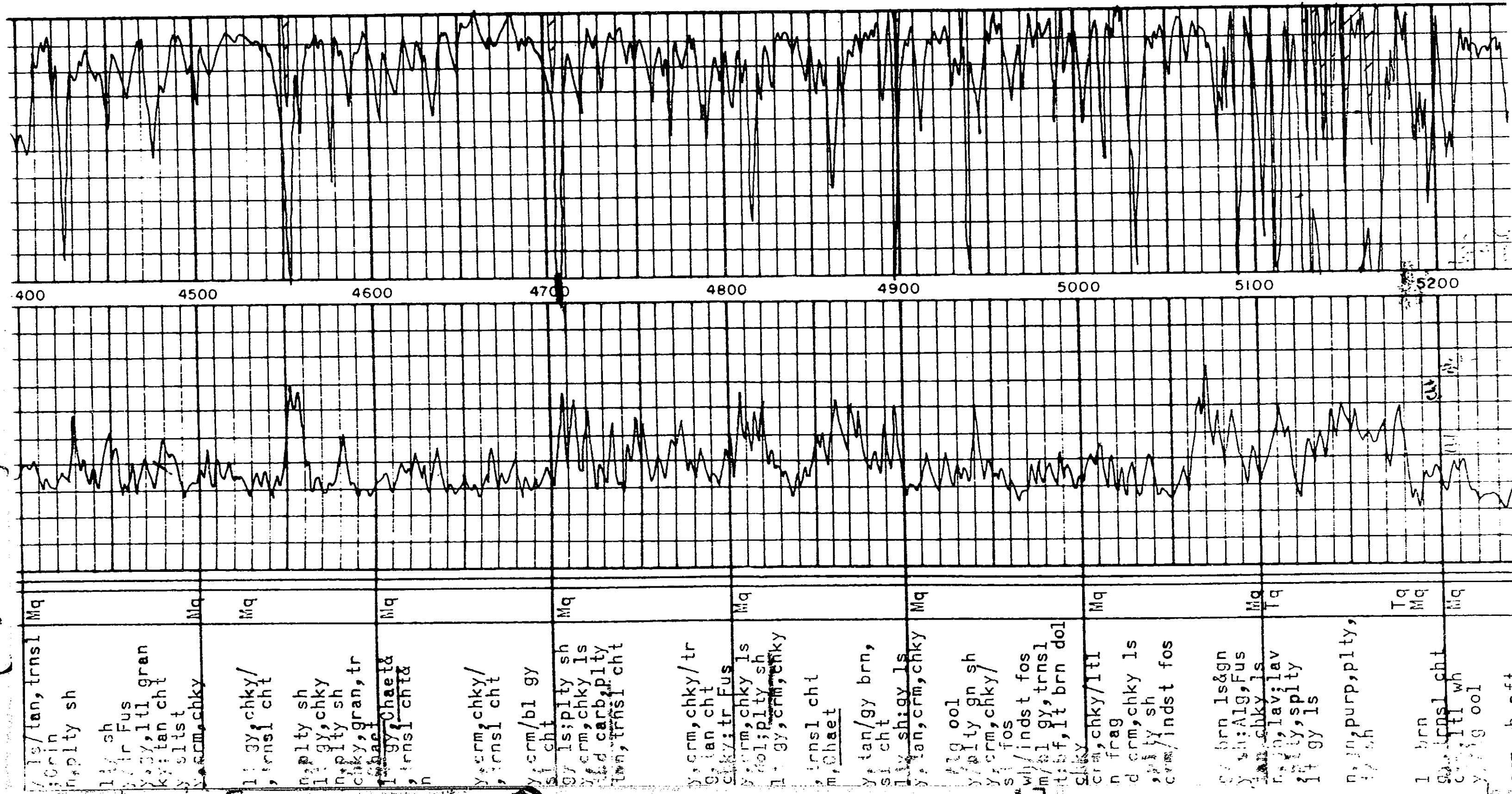
(Monsanto)
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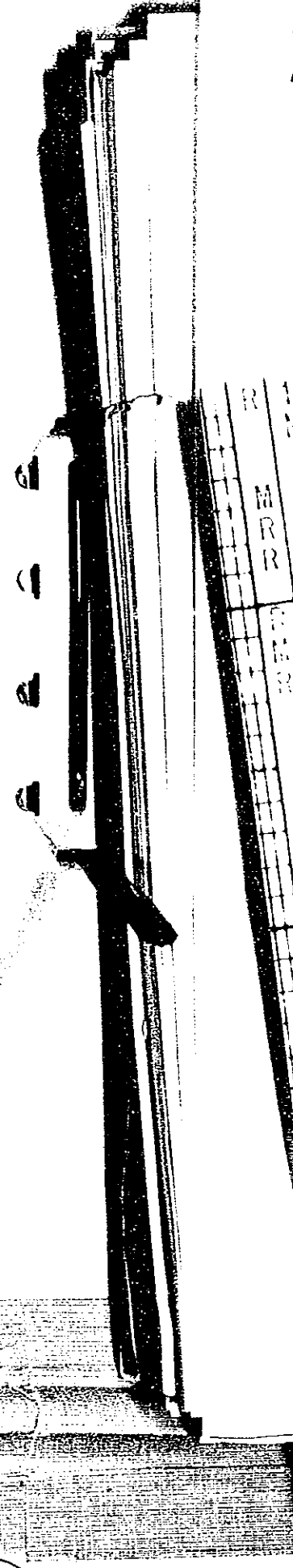


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(continued)



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511
(00000000)



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indst, fos
brn wh/indst fos
O crm/bl gy, trns
Oght;bf, lt brn dol
crn, chky
lt crm, chky/ltl
Crin frag
lt brn crm, chky ls
crn, ply sh
lt crm/indst fos
mat

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ply sh; Alg, Fus
crn, tan, chky ls
brn, gn, lav; lav
red, ply, sply
sh/lt gy ls

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ply sh

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chky/Alg ool

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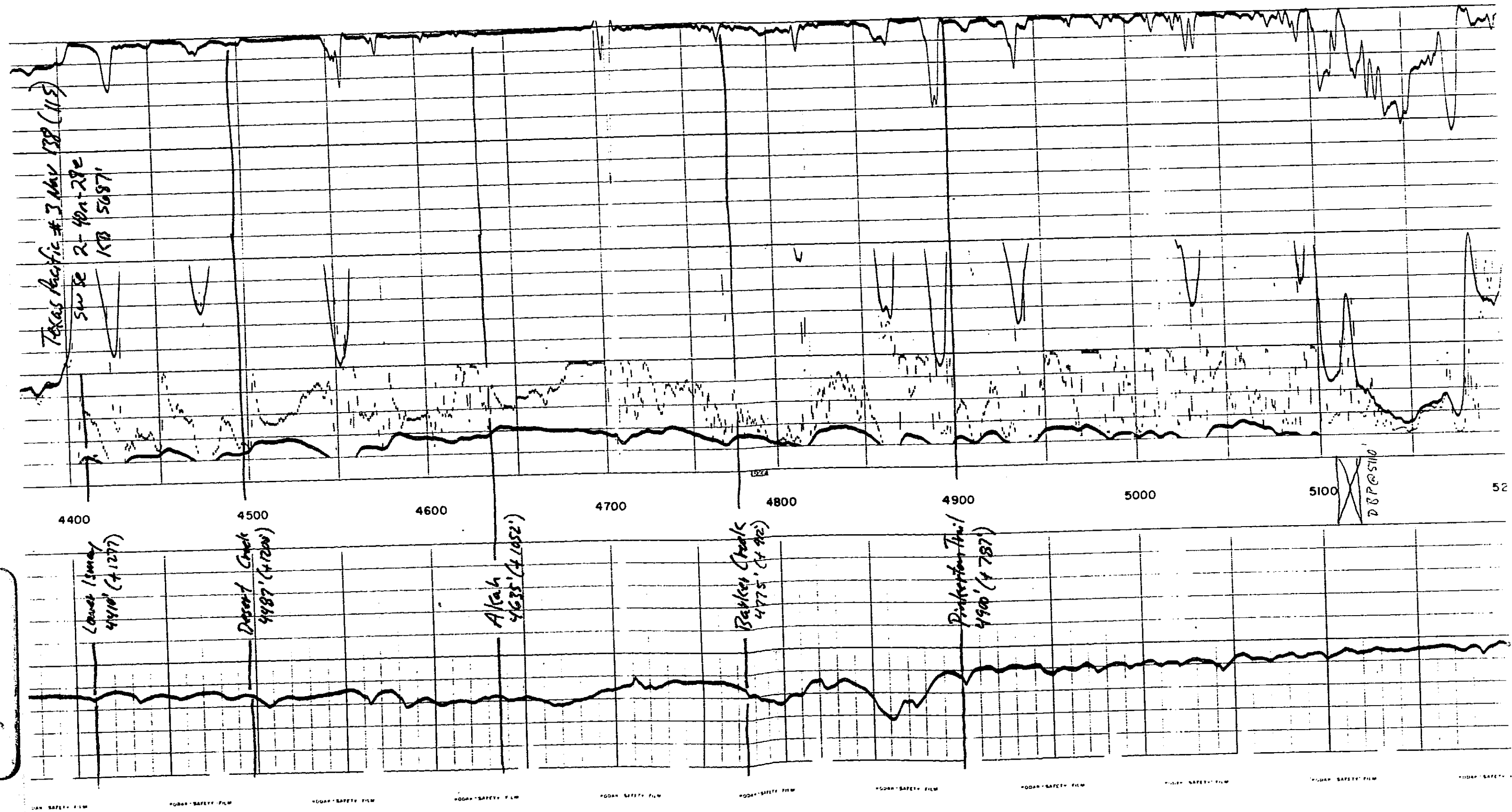
CHIPS

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Mississippi
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511
(0495200)



8

(Monsanto)
115

DRY MESA FIELD

Operator: RIM Southwest Corporation

Bond Company*: Indian lands, evidence of bond posted with BIA

RLI Insurance Co. \$150,000 BIA Nationwide Bond No. RLB0003993

Date of Bond: 11/26/01

Date approved: _____

*** Pursuant to Commission motion of October 31, 1997, no bond is required with State of Arizona upon evidence of bond posted with the BIA.**

Permits covered by this bond posted with the BIA:

Dry Mesa Field	<u>077</u>
	<u>106</u>
	<u>115</u> ✓
	<u>852</u>
	<u>907</u>

Black Rock Field	<u>559</u>
	<u>581</u>
	<u>868</u>
	<u>871</u>
	<u>875</u>
	<u>882</u>

RIM Southwest Corporation

5 Inverness Drive East
Englewood, Colorado 80112
(303) 799-9828 ext. # 303
(303) 799-4259 (fax)

December 3, 2001

Arizona Geological Survey
Mr. Steve Rauzi
416 W. Congress St., Suite 100
Tucson, Arizona 85701

Re: Dry Mesa
Navajo Tribal #138 #2 SW NW sec 12 T40N R28E
Navajo Tribal #138 #3 SW SE sec 2 T40N R28E
Navajo Tribal #138 #6 NE SW sec 2 T40N R28E
Navajo Tribal #138 #10 NW SE sec 12 T40N R28E
Navajo Tribal #138 #1 SWD NE SW sec 11 T40N R28E
Apache CO., Arizona

Dear Mr. Rauzi:

Rim Southwest Corporation has assumed operations of the above wells from Coleman Oil & Gas effective November 1, 2001. The wells are covered by our Navajo Nation, Nation wide bond in the amount of \$150,000. The bond number is RLB3993 and is with AON Underwriters Indemnity. If you have any more questions do not hesitate to call me.

Sincerely,

Ken Kundrik
Ken Kundrik
Operations Engineer



SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Coleman Oil & Gas, Inc.

2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) _____

3. Well Name See below

Location See below

Sec. 1,2,11,12 Twp. 40N Rge. 28E County Apache, Arizona

4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 14-20-603-4190

5. Field or Pool Name Dry Mesa

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	WEEKLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTER CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(OTHER) <u>Change of Operator</u>	ABANDONMENT <input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WELLS:

Navajo Tract 138 #10, NW SE Section 12-T40N-R28E
 Navajo Tract 138 #1 SWD, NE NE Section 11-T40N-R28E
 Navajo Tract 138 #02, SW NW Section 12-T40N-R28E
 ✓ Navajo Tract 138 #03, SW SE Section 2-T40N-R28E
 Navajo Tract 138 #06, NE SW Section 2-T40N-R28E

Effective August 1, 2001, Coleman Oil & Gas, Inc. sold all of it's interest in the above lease and all of the wells on the lease with equipment to:

RIM Southwest Corporation
 5 Inverness Drive East
 Englewood, Colorado 80112
 Phone: (303) 799-9828

RIM Southwest Corporation will become operator of these wells effective November 1, 2001.

8. I hereby certify that the foregoing is true and correct.

Signed Kenneth J. Kuhdrik
 Kenneth J. Kuhdrik

Operations Date 11/7/01
 Title Engineer

Permit No. 115

STATE OF ARIZONA OIL & GAS CONSERVATION COMMISSION Sundry Notice and Reports On Wells Form No. 25 File One Copy
--

P.O. DRAWER 3337
FARMINGTON, NM 87499

OFFICE: 505-327-0356
FAX: 505-327-9425



COLEMAN OIL & GAS, INC.

Bryan Lewis
e-mail: cogblewis@yahoo.com

Wednesday, November 07, 2001

Mr. Steven L. Rauzi
Arizona Oil & Gas Conservation Commission
416 West Congress Suite 100
Tuscon, AZ 85701

RE: Dry Mesa Wells

Dear Mr. Rauzi:

Enclosed is one signed original Sundry Notice relating to the change of ownership and operator on the Dry Mesa wells in Apache County. Please call with any questions or additional requirements.

Sincerely,

Bryan Lewis
Landman

File 115

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Coleman Oil & Gas, Inc.
 2. OIL WELL ☐ GAS WELL ☒ OTHER ☐ (Specify) _____
 3. Well Name See below
 Location See below
 Sec. 1,2,11,12 Twp. 40 North Rge. 28 East County Apache, Arizona
 4. Federal, State, or Indian Lease Number, or lessor's name if fee lease 14-20-603-4190

5. Field or Pool Name _____

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	WEEKLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTER CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>		ABANDONMENT <input type="checkbox"/>
(OTHER) _____		(OTHER) <u>Change of Operator</u>	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log, Form 4)

1. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WELLS: Including

Navajo Tract 138 # 10
 Navajo Tract 138 # 10 SWD
 Navajo Tract 138 # 02
 ✓ Navajo Tract 138 # 03
 Navajo Tract 138 # 06

Effective 08/01/01 Coleman Oil & Gas, Inc. sold all of its interest in the aforementioned lease and all of the wells on the lease to:

RIM Southwest Corporation
 5 Inverness Drive East
 Englewood, CO 80112
 Phone: (303) 799-9828

Fax: (303) 799-4259

RIM Southwest Corporation will become operator of these wells as of 11/01/01.

8. I hereby certify that the foregoing is true and correct.

Signed G. Chris Coleman

Title Vice President Date November 06, 2001

Permit No. 115

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notice and Reports On Wells
 Form No. 25
 File One Copy

5/96

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

COLEMAN OIL & GAS, INC.

Mailing Address and Phone Number

P O DRAWER 3337, FARMINGTON, NM 87499 (505) 327-0356

Plan of Organization (State whether organization is a corporation joint stock association, firm or partnership, or individual

CORPORATION

Purpose of Organization (State type of business in which engaged)

OIL & GAS EXPLORATION & PRODUCTION

If a reorganization, give name and address of previous organization

If a foreign corporation give (1) State where incorporated NEW MEXICO	(2) Name and mailing address of state agent CT CORPORATION SYSTEM 3225 N CENTRAL AVE, PHOENIX, AZ	(3) Date of permit to do business in state SEPTEMBER 26, 1997
Principal Officers or Partners (if partnership) NAME GEORGE E. COLEMAN G. CHRIS COLEMAN JAMES C. ANDERSON	TITLE 85012 PRESIDENT/ SECRETARY VICE-PRESIDENT/ TREASURER VICE-PRESIDENT	MAILING ADDRESS 1800 McDONALD ROAD FARMINGTON, NM 87401 1909 CHILTON CT FARMINGTON, NM 87401 2585 S. ST PAUL DENVER, CO 80210

DIRECTORS NAME	MAILING ADDRESS
GEORGE E. COLEMAN	1800 McDONALD ROAD, FARMINGTON, NM 87401
G. CHRIS COLEMAN	1909 CHILTON CT, FARMINGTON, NM 87401
BARBARA M. COLEMAN	1800 McDONALD ROAD, FARMINGTON, NM 87401

CERTIFICATE I, the undersigned, under the penalty of perjury state that I am the **VICE-PRESIDENT** of the **COLEMAN OIL & GAS, INC.** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

7-11-01

Date

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report
File One Copy

Form No. 1

Mail completed form to
Oil and Gas Program Administrator
Arizona Geological Survey
416 W Congress, #100
Tucson, AZ 85701

WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892



November 6, 1997

FAX 520 770-3505

TO: Steve Rauzi

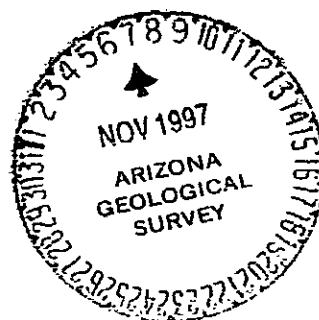
FROM: Ruth Rogge

As per your conversation with Chris Coleman, enclosed please find an approved Designation of Operator and also a copy of approved Letter of Credit Bond No. 564 for Coleman/Thompson.

I am also enclosing a copy of letter received from Mr. Clint W. Smith concerning bonding on this lease. I will send you copies of the above in the mail today.

If you need anything else, please give me a call.

rr



PIN 115

08/17/97 11:22 FAX 327 4862

COLEMAN OIL GAS

0002

(March 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

(Submit in triplicate to appropriate
BIA office)

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Indian Affairs, holder of lease

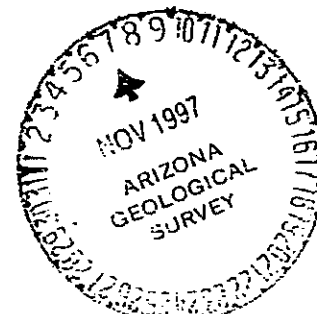
AREA OFFICE:

LEASE NO: 14-20-603-4190

and hereby designates

NAME: Thompson Engineering & Production Corporation

ADDRESS: 7415 East Main Farmington, N.M. 87402-5180



as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160 and 25 CFR 211 and 212) with respect to (describe acreage to which this designation is applicable):

T40N, R28 E, G&SRM

Section 1, 2 -ALL (Fractional)

Section 11 and 12-ALL

2365.09 Acres, Surveyed, Apache County, Arizona

Bond coverage under 25 CFR 211, 212 or 225 for lease activities conducted by the above named designated operator is under Bond Number Letter Of Credit #564 (attach copy). Evidence of bonding is required prior to the commencement of operations.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, stipulations, or orders of the Secretary of the Interior or his representative.

Attach all appropriate documentation relevant to this document.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

George E. Coleman
(Signature of lessee)
George E. Coleman, President

Coleman Oil & Gas, Inc. P.O. Drawer 3337 Farmington, N.M.
(Address) 87499

July 1, 1997

APPROVED, PURSUANT TO SECRETARY'S DELEGATION ORDER 209 DE, & SECRETARY'S
ORDER NOS. 3150 AND 3177, AND 10 BYAM BULLETIN 13, AS AMENDED.

Glenne A. Anderson
APPROVED BY

ACTING AREA DIRECTOR
TITLE

9/12/97
(Date)

09/17/97 11:22 FAX 327 4862

COLEMAN OIL GAS

0001



IN REPLY
REFER TO

ARES/543

Mr. Chris Coleman
Coleman Oil and Gas, Inc.
P. O. Box Drawer 3337
Farmington, New Mexico 87499-3337

Dear Mr. Coleman:

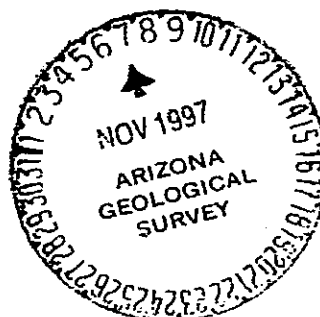
Enclosed for your information and use is an approved original copy of Designation of Operator between Coleman Oil & Gas, Inc., and Thompson Engineering & Production Corporation on Navajo Tribal Oil and Gas Lease No. 14-20-603-4190.

Please note that all other concerned parties will be furnished their approved copy of the Designation of Operator for their use.

Sincerely,

Dale Underwood
Acting Area Realty Officer

Enclosure



*Dr. Mesa
File.*

SEP 12 1997



IN REPLY
REFER TO:

ARES/543

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
NAVAJO AREA OFFICE

P. O. Box 1060
Gallup, New Mexico 87305-1060

AUG 22 1997

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Chris Coleman
Coleman Oil and Gas, Inc.
P. O. Drawer 3337
Farmington, New Mexico 87499-3337

Dear Mr. Coleman:

Enclosed for your information and file is a copy of the approved Letter of Credit Bond No. 564 for the amount of \$75,000 for lease No. 14-20-603-4190. The original copy will be on file in our office.

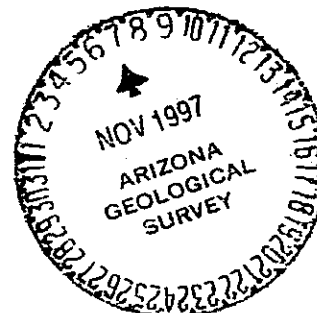
If you have any further questions, you may contact Ms. Bertha Spencer, Realty Specialist, at (520) 871-5938.

Sincerely,

Dale Underwood

Acting Area Realty Officer

Enclosure





Charter Member FDIC

RECEIVED

AUG 7 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

RECEIVED

JUL 14 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

June 30, 1997

NAVAJO AREA OFFICE

IRREVOCABLE LETTER OF CREDIT

First National Bank of Farmington
P.O. Box 4540
Farmington, NM 87499-4540

Letter of Credit No. 564

Amount: U.S. \$75,000.00

Beneficiary:
Bureau of Indian Affairs
Navajo Area Office
P.O. Box 1060
Gallup, NM 87305-1060

Applicant:
Coleman Oil and Gas, Inc.
Thompson Engineering & Production Corp.
P.O. Drawer 3337
Farmington, NM 87499-3337

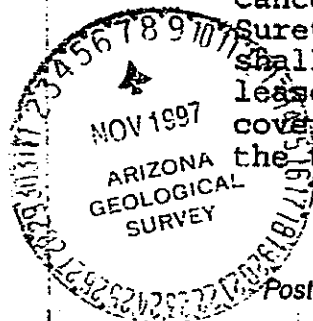
Date of Issue:
6/30/97

Expiration Date: Written Approval of BIA

Gentlemen:

First National Bank of Farmington ("Surety") hereby issues our Irrevocable Letter of Credit No. 564 in favor of the Bureau of Indian Affairs, Navajo Area Office, hereinafter referred to as Beneficiary for the account of Coleman Oil & Gas, Inc. ("Principal") for the sum of up to, but not exceeding, Seventy-Five Thousand and No/100 U.S. Dollars (\$75,000.00) available by your draft. This Irrevocable Letter of Credit is a guarantee that the operator/lessee/assignee/permittee shall well and truly perform and fulfill all the undertakings, covenants, terms, and conditions of said agreement and the applicable federal regulations (25 CFR, 30 CFR and 43 CFR). The draft will be made available upon written certification from the Area Director, Navajo Area, stating that such amounts are due and payable. Each sight draft so drawn and presented shall be honored by us if presented. This Letter of Credit refers to x oil and gas x activities on the entire: Navajo Lease Allotment No: BIA 14-20-603-4190.

It is the express condition of this Letter of Credit that it shall be in effect until the Area Director, Navajo Area, in writing, cancels said Letter of Credit upon request of the Principal or Surety. The Principal and Surety agree that the Letter of Credit shall extend to and include all extensions and renewals of the lease/permit/agreement covered by this Letter of Credit, such coverage to continue without interruption due to the expiration of the term set forth therein.



Sharing the Hometown Spirit

Post Office Box 4540 • Farmington, New Mexico 87499-4540 • (505)326-9000 • TDD(TYY) 326-9035



Coleman Oil & Gas, Inc.
Letter of Credit No. 564
June 30, 1997
Page 2

The Surety hereby waives any right to notice of any modification of any lease/permit/agreement, or obligation thereunder whether effected by extension of time for performance, by commitment of such lease to unit, cooperative, or communitization agreement, by waiver, suspension, or change in rental, by minimum royalty payment, by compensatory royalty payment, or otherwise, and this Letter of Credit is to remain in full force and effect notwithstanding.

The Principal and Surety agree that the neglect or forbearance of any obligee under this Letter of credit in enforcing the payment of any obligations or the performance of any other covenant, condition, or agreement of any such lease/permit/agreement shall not in any way release the Principal and Surety, or either of them, from any liability under this Letter of Credit.

The original signed Letter of Credit will be presented to the Surety by the Bureau of Indian Affairs along with any draft presented pursuant to this Letter of Credit, and will be surrendered to the Surety with any draft which draws the full amount, or the balance remaining available, under the Letter of Credit.

PROVIDED, that in the event supervision over all the tracts to which this bond applies is relinquished by the Secretary of the Interior and the lessee/permittee/assignee/operator/contractor shall have made all payments then due under the agreement and shall have fully performed all obligations on their part to be performed up to the time of relinquishment of supervision, the liability of this bond shall be of no further force and effect.



Coleman Oil & Gas, Inc.
Letter of Credit No. 564
June 30, 1997
Page 3

IN PRESENCE OF:

Corporate Principal:

Attest:

Jeff E. Coleman

Coleman Oil & Gas, Inc.
P.O. Drawer 3337
Farmington, NM 87499-3337

By:

G. Chris Coleman
G. Chris Coleman

Title: Vice President

Thompson Engineering & Production Corp.
204 North Auburn
Farmington, NM 87401

Attest:

Paul C. Thompson

By:

Paul C. Thompson
Paul C. Thompson

Title: President

Issuing Agent:



Dennis E. Peterson

First National Bank of Farmington
P.O. Box 4540
Farmington, NM 87499-4540

By:

Dennis E. Peterson
Dennis E. Peterson

Title: Executive Vice President

DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs

August 21, 1997

APPROVED: Pursuant to Secretarial
Redelegation Order 209 DM8,
Secretary's Order ~~XXXXXX~~
~~XXXXXX~~ and ~~XXXXXX~~ Nos. 3150 and
3177, and 10 BIAM Bulletin Area Director
13, as Amended.

Genni Denetson

ACTING

Sharing the Hometown Spirit

Post Office Box 4540 • Farmington, New Mexico 87499-4540 • (505)326-9000 • TDD(TYY) 326-9035

NOV. 06 '97 (110) 10:05



August 1, 1997

United States Department of the Interior
Bureau of Indian Affairs
PO Box 1060
Gallup, NM 87305-1060

Attention: Acting Area Director

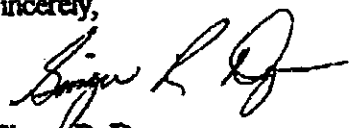
Dear Sir:

On March 19, 1997, the Board of Directors of First National Bank of Farmington duly elected Dennis Peterson as Executive Vice President of First National Bank and thereby conveyed authority to Mr. Peterson to act on behalf of the Bank.

Mr. Peterson is indeed authorized to sign the Irrevocable Letter of Credit in question for Coleman Oil & Gas, Inc. on behalf of First National Bank of Farmington.

If you have further questions you may contact me at 505-324-9548.

Sincerely,


Ginger R. Dye
Executive Secretary to the Board of Directors



RECEIVED

AUG 7 1997

NAVAJO AREA OFFICE
BRANCH OF REAL ESTATE SERVICES

931 E. Southern Ave., #212
Mesa, Arizona 85204
(602) 892-9300
(602) 545-9252 (Fax)

November 4, 1997

Mr. Chris Coleman
Coleman Oil & Gas
P.O. Drawer 3337
Farmington, NM 87499

Re: Dry Mesa Corporation

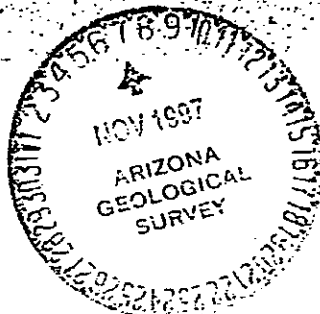
Dear Chris:

It has come to our attention that your company has not yet posted the required bonds with the Arizona Oil and Gas Commission. Accordingly, we have not been able to recover our bond there. As you know, your cooperation is required, pursuant to the court's order, "to ensure that transfer documents are lodged with the appropriate governmental agencies," so that we may recover our cash bond.

Please take immediate action to obtain a bond with the State of Arizona so that we may recover our bond. If I have not heard from you within ten days, we will be forced to initiate litigation to enforce our rights. I will look forward to hearing from you.

Very truly yours,

Clint W. Smith



OIL AND GAS CONSERVATION COMMISSION

From the Meeting of October 31, 1997

COMMISSION POLICY ON PUBLIC AND INDIAN LAND

Mr. Rauzi reported that the Commission holds bonds for companies drilling on public and Indian lands even though companies drilling on public land are required to post a bond with the federal government and companies drilling on Indian land are required to post a bond with the BIA. He reported that the bonds held by the Commission are duplicate bonds.

Mr. Lanshe moved, seconded by Dr. Clay:

**THAT THE ADMINISTRATOR RELEASE DUPLICATE BONDS IF EVIDENCE OF
BONDS HELD WITH THE FEDERAL GOVERNMENT OR BIA IS OBTAINED**

Motion carried unanimously.

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

THOMPSON ENGINEERING & PRODUCTION CORP.

Mailing Address and Phone Number

7415 E. Main Farmington, New Mexico 87402 505 327-4892

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged)

Oil & Gas

If a reorganization, give name and address of previous organization

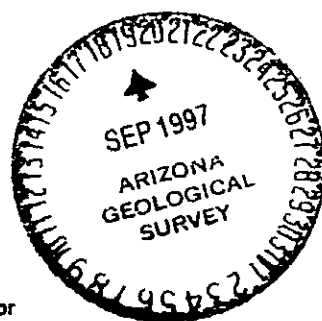
If a foreign corporation, give (1) State where incorporated	(2) Name and mailing address of state agent	(3) Date of permit to do business in state
Principal Officers or Partners (if partnership) NAME	TITLE	MAILING ADDRESS
Paul C. Thompson	President	7415 E. Main Farmington, New Mexico 87402
Leslie W. Thompson	Vice President	7415 E. Main Farmington, New Mexico 87402

DIRECTORS NAME	MAILING ADDRESS

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the THOMPSON ENGR. & PROD. CORP. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Paul C. Thompson
Signature

8/29/97
Date



Mail completed form to:
Oil and Gas Program Administrator
Arizona Geological Survey
416 W. Congress., #100
Tucson, AZ 85701

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report
File One Copy

Form No. 1

OPERATOR'S CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL OR GAS FROM LEASE		
Federal, State, or Indian Lease Number, or lessor's name if fee lease	Field Dry Mesa Field	Reservoir <i>Pennsylvanian, Mississippian & Leadville</i>
Survey or Sec-Twp-Rge 11, 1, 12, 2, -T40N-R28E	County Apache	State Arizona
Operator THOMPSON ENGR. & PROD. CORP.		
ADDRESS ALL CORRESPONDENCE CONCERNING THIS FORM TO:		
Street 7415 E. Main	City Farmington	State New Mexico 87402
Above named operator authorizes (name of transporter) Giant Refining Company		
Transporter's street address 23733 Scottsdale Rd.	City Scottsdale	State AZ 85255
Field Address		
Oil, condensate, gas well gas, casinghead gas		
To transport	100	% of the oil from said lease
OTHER GATHERERS TRANSPORTING FROM THIS LEASE ARE AS FOLLOWS:		
Name of gatherer Western Gas Resources	% transported 100	Product transported Gas
Indicate whether or not this certificate is for a new lease. If not a new lease, indicate whether or not it is a change of operator, change of lease name, change of gatherer, or a consolidation or subdivision of leases and give effective date of change. Change in Operator from Dry Mesa Corporation 15 Willowbrook Wichita, Kansas 67207		

The undersigned certifies that the rules and regulations of the State of Arizona Oil & Gas Conservation Commission have been complied with in drilling and producing operations on this lease, except as noted above, and that the above transporter is authorized to transport the above specified percentage of the allowable oil or gas produced from the above described property, and that this authorization will be valid until further notice or until cancelled by the State of Arizona Oil & Gas Conservation Commission.

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the President of the THOMPSON ENGR. & PROD. CORP. (company), and that I am authorized by said company to make this report; that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Date 8/29/97

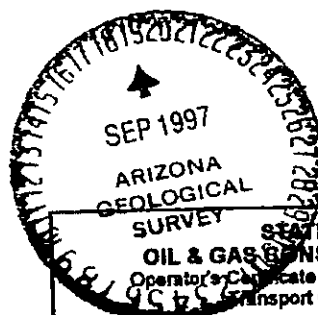
Signature Paul C. Thompson

Date approved: 9-19-97

By: SL Rairiz
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Permit No. 106, 115, 213, 852

Mail two copies of completed form to:
Oil & Gas Program Administrator
Arizona Geological Survey
416 W. Congress Bldg
Tucson AZ 85701-1315



Form No. 8

DRY MESA CORPORATION

18 Willowbrook
Wichita, Kansas 67207
(316) 684-0420

Steve Rauzi
Oil and Gas Program Administrator
Arizona Geological Survey

July 22, 1997

~~845 North Park, #100~~ 416 W. Congress # 100
Tucson, Arizona 85719
85701

file 115

Notice of Sale and Request for Termination of Bond Liability

Effective July 1, 1997, Dry Mesa Corporation (DMC) did sell to Coleman Oil & Gas all of DMC's interests, responsibilities, and operations in Dry Mesa Field located on Navajo lease #14-20-603-4190 which includes all of Sections 1, 2, 11, and 12, T40N - R28E, Apache county, Arizona. Coleman Oil & Gas will assume operations of the field effective July 1, 1997 and will be the Operator of Record.

Included in this sale are the wells named below and all surface facilities and production equipment located on this lease.

Well #1 API #02-001-05159 SWD Well
NE/4 NE/4 Sec 11, T40N - R28E, Apache County, Arizona

Well #2 API #02-001-05303 Gas Well
SW/4 NW/4 Sec 12, T40N - R28E, Apache County, Arizona

115
Well #3 API #02-001-05305 Gas Well
SW/4 SE/4 Sec 2, T40N - R28E, Apache County, Arizona

Well #5 API #02-001-05160 Gas Well
SW/4 SW/4 Sec 1, T40N - R28E, Apache County, Arizona

Well #6 API #02-001-20283 Oil Well
NE/4 NW/4 Sec 2, T40N - R28E, Apache County, Arizona

Upon written conformation of this sale and acceptance of financial responsibility (posting of bond) for the above named wells by Coleman Oil & Gas, DMC requests that all liabilities and obligations that DMC may have under it's existing Arizona Producers Bond concerning these wells be terminated.

Sincerely,

Bob Hand
Bob Hand
Dry Mesa Corporation



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

July 10, 1997

Mr. Paul Thompson
Thompson Engineering & Production
7415 E. Main
Farmington, New Mexico 87402

115

Dear Mr. Thompson:

Mr. Alan Emmendorfer has informed me that Thompson Engineering & Production will be operating the Dry Mesa Field, Arizona, on behalf of Coleman Oil & Gas. Welcome to Arizona.

To facilitate the transfer, I am enclosing some of our forms (with references to pertinent rules) that you should complete and file with this office as soon as possible. These include:

- (1) Organization report (A.A.C. R12-7-194),
- (2) Designation of operator (A.A.C. R12-7-101(11)),
- (3) Operator's certificate of compliance and authorization to transport oil or gas from lease (A.A.C. R12-7-183),
- (4) Performance bond or alternative assignment (A.A.C. R12-7-103),
- (5) Monthly producer's report (A.A.C. R12-7-161), and
- (6) a few Sundry notices.

Legible copies of these forms are acceptable.

Let me know if we may be of assistance or answer any questions.

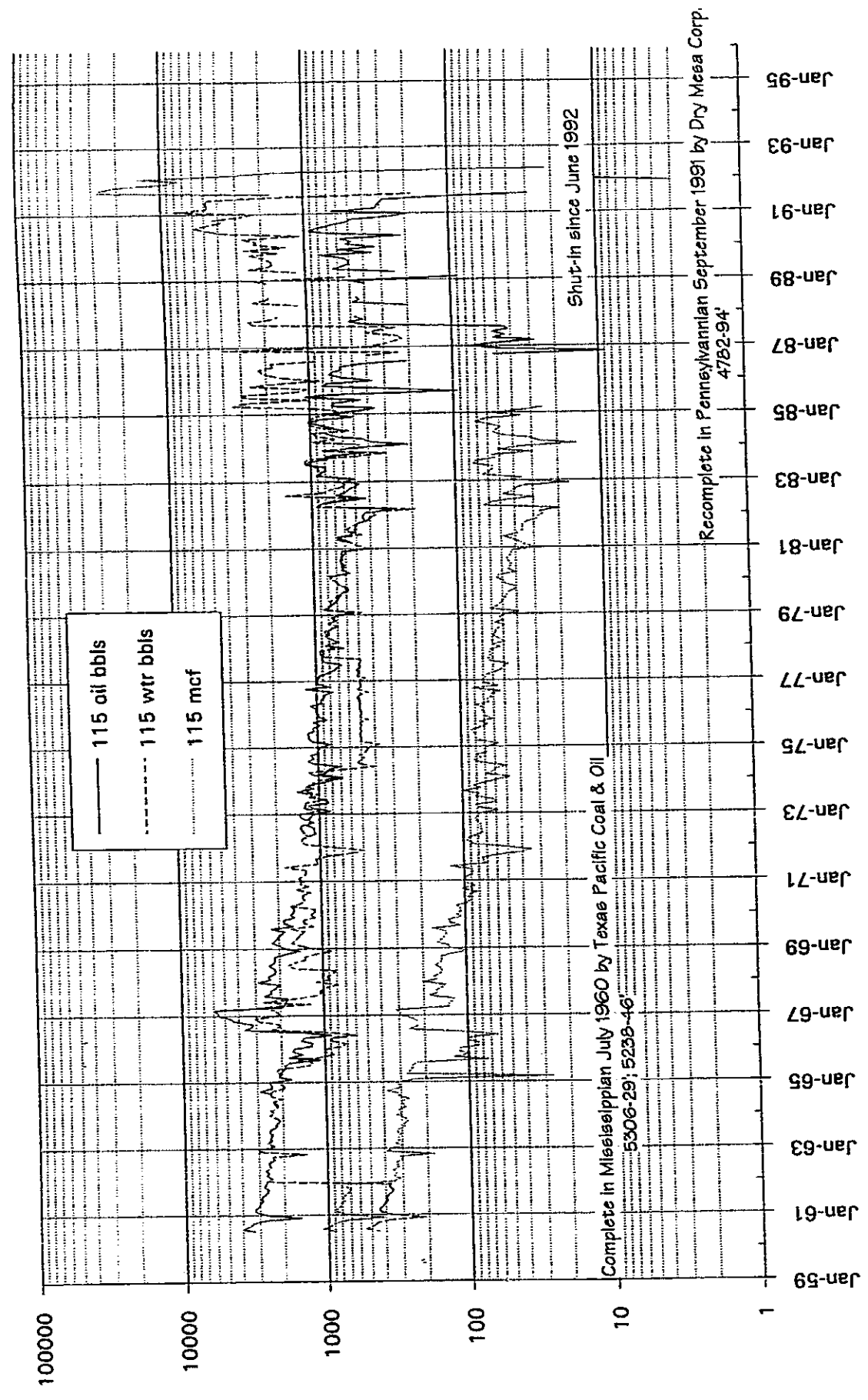
Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

MONTHLY PRODUCTION AT 3 NAVAJO-138 (115), ARIZONA: JUL 1960 - MAY 1992

sw se 2-40n-28e, Dry Mesa Field, Apache County





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

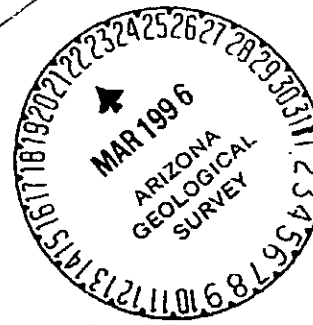
Farmington District Office
1235 La Plata Highway
Farmington, New Mexico 87401

IN REPLY REFER TO:
14-20-603-4190 (WC)
3162.3-2 (7300)

Dry Mesa Corp.
Attn: Mr. Ken Hand
No. 15 Willow Brook
Wichita, KS 67207

FEB 13 1996

File 115



Dear Mr. Hand:

Our records indicate that you are the operator of the following wells located in T. 40 N., R. 28 E., Apache County, Arizona, Lease 14-20-603-4190:

- 1) No. 2 Tract 138, 1980' FNL & 660' FWL, Sec. 12. Date of last production January 1994.
- 2) No. 3 Tract 138, 760' FSL & 2035' FEL, Sec. 2. Date of last production May 1992.

Title 43 CFR Section 3162.3-4 requires that the lessee shall promptly plug and abandon, condition as a service well, or condition as a water well, any well on a lease that is not used or useful for the purpose of the lease. Accordingly, you are required to advise this office by Sundry Notice within 30 calendar days of your intent to perform one of the following:

1. Condition the well to a useful function.
2. Temporarily abandon the well.
3. Continued shut-in status.
4. Permanently plug and abandon the well.

The Bureau of Land Management's Definition of a shut-in well is a completion that is **physically and mechanically capable of production in paying quantities** or capable of service use. The definition of a temporarily abandoned well is a completion that is **not capable of production in paying quantities** but which may have value as a service completion.

See attached General Requirements for Non-Producing wells on Federal leases.

The 30 calendar days commences upon receipt of this letter or seven days from the date it is mailed, whichever is less. Failure to comply within the 30 calendar days will result in strict enforcement of 43 CFR 3163.1.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the orders described above. Such requests, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87504-0115. Such request shall not result in a suspension of the orders unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

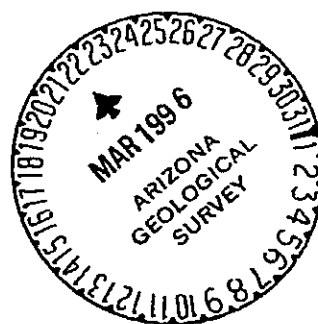
If you have any questions, please contact Stephen Mason with this office at (505) 599-6364.

Sincerely,



Ken Townsend
Senior Technical Advisor
Petroleum Management Team

cc:
BIA, Gallup, NM
NNMD, Window Rock, AZ



Effective January 1, 1995

**General Requirements for Non-Producing Wells
On Federal Oil and Gas Leases**

file 115

I. TEMPORARY ABANDONMENT: A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4(c), no well may be temporarily abandoned for more than 30 days without the prior approval of the Authorized Officer. When justified by the operator, the Authorized Officer may authorize additional delays, no one of which may exceed an additional 12 months.

A. Any temporary abandonment request must be submitted on a Sundry Notice (Form 3160-5) and include the following:

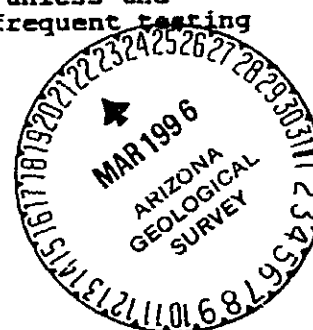
1. Justification why the well should be temporarily abandoned rather than permanently plugged and abandoned.
2. Description of the temporary abandonment procedure.
3. A complete wellbore diagram shown as temporarily abandoned.
4. The anticipated date the operations will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, **MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY ABANDONMENT SO THAT THE OPERATIONS MAY BE WITNESSED.** (505/599-8907)

B. The following terms and conditions will apply to all wells approved for temporary abandonment:

1. The temporary abandonment method must provide for the installation of an isolation device (such as a retainer or bridge plug) within 50' to 100' of the top perforation or a cement plug that extends at least 50 feet above each set of open perforations. Unless prior approval is granted by the Authorized Officer, the well bore must be filled with conditioned, non-corrosive fluid and shut-in at the surface. If a cement plug is used, the top of the cement must be verified by tagging. If the wellbore had more than one producing horizon, the lower set(s) of perforations or open hole must meet the requirements for permanent plug to abandonment, unless justification is provided by the operator not to do so.
2. A test demonstrating casing mechanical integrity is required. An approved method is a pressure test of the casing and uppermost plug. The pressure test conducted shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within thirty (30) minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. In the case of a plug or casing failure, the operator shall either correct the problem or plan to plug and abandon the well. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.
3. A bradenhead test will be conducted. If the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days from the date of the test.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Approval will be granted for one (1) year and renewed annually, upon receipt of a proper request. All temporarily abandoned wells are required to demonstrate casing mechanical integrity every five (5) years, unless the Authorized Officer determines, on a case-by-case basis, more frequent testing is required.



II. SHUT-IN WELL: A shut-in well is defined as a completion that is physically and mechanically capable of production in paying quantities or capable of service use. No well may be shut-in for more than one (1) year without prior approval from the Authorized Officer. Any well with a known or suspected casing leak is to be repaired immediately.

A. Any request for continued shut-in status must be submitted on a Sundry Notice (Form 3160-5) and include the following:

1. Justification why the well should be shut-in rather than activated as a producer or a service well.
2. The anticipated date(s) that casing mechanical integrity and/or production testing will occur. Mike Flaniken, Supervisory, Oil and Gas Inspector, MUST BE NOTIFIED A MINIMUM OF 48 HOURS PRIOR TO COMMENCING ANY TESTING SO THAT THE TEST(S) MAY BE WITNESSED. (505/599-8907)

B. The following terms and conditions will apply to all wells approved for continued shut-in:

1. Approved shut-in wells are to demonstrate casing mechanical integrity initially and thereafter every five (5) years. An approved method is to pressure test. The test pressure shall be a minimum of 500 psi surface pressure with less than 10 percent pressure drop within 30 minutes. In no event shall the pressure test required exceed seventy (70) percent of the internal yield of the casing. If the casing fails, it is required that the casing be repaired or the well plugged and abandoned. Alternative methods demonstrating casing mechanical integrity may be approved by the Authorized Officer on a case-by-case basis.

2. Approval for shut-in is also contingent upon conducting a production verification test. A production test will be conducted for a period of 24 hours. Depending on the circumstances, the Authorized Officer may require a longer test period, or may approve a shorter test period, to demonstrate the well's ability to produce in paying quantities. Supporting documents will be submitted with the request. Recent production history demonstrating production capabilities may be accepted in lieu of conducting the test.

3. A bradenhead test will be conducted and if the test indicates a problem exists, a remedial plan and a time frame for remediation will be submitted within ninety (90) days of the test.

4. Close all valves on the wellhead. All disconnected lines shall have bull plugs installed.

5. For oil wells with pump jacks, the operator will be allowed to leave the pump and rods in the hole and close all valves at the surface. The operator must request approval to remove the pumping unit before it is removed.

C. A subsequent report Sundry Notice (Form 3160-5) is required to be submitted within thirty (30) days upon the completion of the work.

D. Shut-In approval will be granted for a one (1) year period. A period of up to five (5) years may be granted by the Authorized Officer, with justification.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders, or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

14-20-603-4190 (GC)
3163.1 (07347)

MAY 13 1994

CERTIFIED--RETURN RECEIPT REQUESTED
P 866 760 517

Mr. Ken Hand
Dry Mesa Corporation
No. 15 Willow Brook
Wichita, Kansas 67207

Dear Mr. Hand:

On May 12, 1994, a joint inspection was performed by representatives from the Bureau of Indian Affairs (Navajo Area Office), Navajo Nation Minerals Department, Bureau of Land Management and Dry Mesa Corporation on Navajo Tribal Lease 14-20-603-4190. It was determined and agreed to by all parties that Dry Mesa Corporation has satisfied the stipulations of "Notice to Shut Down Operations" (No. NM07094BS001) issued October 15, 1993, by the Bureau of Land Management.

Dry Mesa Corporation is hereby notified that the Notice to Shut Down Operations is lifted and may resume operation of Navajo Tribal Lease 14-20-603-4190.

If you have any questions, please contact Mike Flaniken with this office at (505) 599-6381.

Sincerely,

/s/ John L. Keller

John L. Keller
Assistant District Manager
Division of Mineral Resources

cc:
Mr. Akhtar Zaman
The Navajo Nation
Minerals Department
P. O. Box 146
Window Rock, AZ 86515

Bureau of Indian Affairs
Navajo Area Office
P. O. Box 1060
Gallup, NM 87305-1060

Mr. James Miles
Indian Minerals Office
1400 La Plata Highway
Farmington, NM 87401

AZ OIL & GAS
CONSERVATION COMMISSION

JUN 10 1994

77
106
115
213
852



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

March 8, 1994

Mr. Kenneth R. Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

Dear Mr. Hand:

According to our records, Dry Mesa Corporation posted a \$25,000 state-wide performance bond on November 24, 1989, to cover its operations in the State of Arizona. Dry Mesa Corporation, therefore, meets the current bonding requirements of the Arizona Oil and Gas Conservation Commission to operate its existing, permitted oil and gas wells in Arizona.

Our records further indicate that Dry Mesa Corporation's bond currently covers six active permits at the Navajo-O (BIA 14-20-603-716) lease and five active permits at the Navajo-138 (BIA 14-20-603-4190) lease.

Please let me know if I can be of further assistance.

Sincerely,

Steven L. Rauzi
Oil & Gas Program Administrator

c Dennis Peterson, First National Bank, Farmington, NM



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

845 North Park Avenue, #100
Tucson, Arizona 85719
(602) 882-4795



Larry D. Fellows
Director and State Geologist

June 29, 1993

Mr. Ken Hand
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

115

Re: Sale and designation of operator at Dry Mesa Field (Navajo tract 138)

Dear Ken:

I talked with Bob this morning about your pending sale of the Dry Mesa Field to Chuska Energy Company. As a result of our conversation, I have enclosed several copies of our "Designation of Operator" form so that you may officially notify this office of the transfer.

With respect to transfer of the wells, A.A.C. R12-7-103.B (copy enclosed) requires three things before the Commission can release your bonded responsibility for the wells. These are (1) that you properly notify the Commission in writing of what is being transferred, (2) that the transferee declare to the Commission in writing acceptance and bonded responsibility for the wells, and (3) the Commission approves the transfer.

With respect to transfer of the disposal well, A.A.C. R12-7-178 (copy enclosed) requires that you notify the Commission on the "Designation of Operator" form in triplicate before the proposed transfer date. The Commission will send a copy of the approved form to the former and proposed operator along with a copy of the order authorizing injection.

Please let me know if I can be of further assistance in this matter.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures

115

Horizontal Wildcat in Northern New Mexico Targets Niobrara

AMERICAN HUNTER Exploration Ltd has scheduled its second horizontal Niobrara test on Jicarilla Apache lands in the San Juan Basin, this one about nine miles west of El Vado in central Rio Arriba County, New Mexico.

The 2A-1 Jicarilla will be drilled from a surface location 442 ft from the north line and 1177 ft from the east line (nene) of 2-27n-1w, westward to a bottom-hole location 442 ft from the north line and 4080 ft from the east line (nw) of the same section.

American Hunter plans to drill vertically to about 3582 ft for log evaluation of Niobrara, then kick off and build a medium-radius curve to a measured depth of 4186 ft (4038 ft true vertical depth) at the top of the Niobrara "A." The company will then drill a high-angle, 2500-ft lateral through the Niobrara. Measured total depth is estimated at 6814 ft; true vertical total depth will be approximately 4828 ft.

The site is a mile south of production in the Boulder-Mancos pool.

Nearly four miles to the southeast, Four Corners Drilling's Rig #15 is drilling below 3032 ft at American Hunter's 8I-1 Jicarilla, a horizontal Niobrara test. The latter venture is being drilled from a surface location in ne se 8-27n-1e, westward to a projected bottom-hole location in ne sw of the same section. It's projected to a measured total depth of 4761 ft; true vertical depth is estimated at 2621 ft (PI 8-19-91).

Northeastern Arizona Reentry Results in Barker Creek Gas Producer

9-24-91

DRY MESA Corp., Farmington, reentered a well in northeastern Arizona's Dry Mesa field 11 miles west of Teec Nos Pos and has recompleted it as a gas producer in the lower Paradox Barker Creek.

The northeastern Apache County well, the 3 Navajo Tract-138 in sw se 2-40n-28e, initially flowed 800,000 cu ft of gas per day through a 14/64-inch choke from perforations in Barker Creek at 4782-94 ft. Flowing tubing pressure was 800 psi; shut-in tubing

pressure was 2200 psi.

The southern Paradox Basin well originally was completed in 1960 by Texas Pacific Coal, Oil & Gas Co as a producer in Mississippian. Cumulative production from that zone totaled about 463,000 bbls of oil, 47 million cu ft of gas and nearly 220,000 bbls of water.

Through May 1991, Dry Mesa field had produced 787,561 bbls of oil, 197 million cu ft of gas and just over one million bbls of water from Mississippian and Ismay (upper Paradox).

Wichita Independent Schedules Two Las Animas Arch Tests

CHARTER PRODUCTION Co., Wichita, will drill a 5400-ft Morrow test on the Las Animas Arch 10 miles east and slightly north of Ki: Carson in eastern Colorado.

The 1 Bogenhagen, se sw 31-14s-46w, central Cheyenne County, is three and a half miles southeast of Sundance field, a Spergen pool discovered earlier this year by Wiepking-Fullerton (PI 6-27-91). It's a little more than five miles northwest of Morrow and Spergen production in Grouse field.

In eastern Cheyenne County, just west of the Kansas border, Charter has staked a stepout from Arapahoe field 15 miles east of Cheyenne Wells. The 1 Furst, se se 13-14s-42w, is a half mile north of Morrow oil production in the field. Murfin Drilling is under contract for both Charter ventures.

Enron Stakes North Dakota Wildcat

ENRON OIL & Gas has staked a new wildcat in the east-central Williston Basin about two miles north of Berthold in northwestern Ward County, North Dakota.

The 23-9 Turk, ne sw 9-156n-86w, which presumably will evaluate Madison zones, is about three miles northeast of Berthold field, a Bluell (Madison) pool.

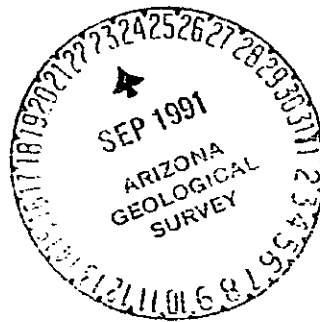
Minnelusa Test Staked East of Gillette

BILLINGS-BASED CENEX has scheduled a 9050-ft test of Minnelusa in the eastern Powder River Basin 11 miles east of Gillette, Wyoming.

The 11-21 State, ne sw 21-50n-70w, eastern Campbell County, will be drilled about three quarters of a mile west-northwest of a Rozet field well in sw sw 22-50n-70w that's producing oil from Minnelusa at 8742-50 ft.

September 20, 1991

Steve Rauzzi
Oil and Gas Program Administrator
Arizona Geological Survey
845 North Park Avenue, Suite 100
Tucson, Arizona 85719



Dear Mr. Rauzzi:

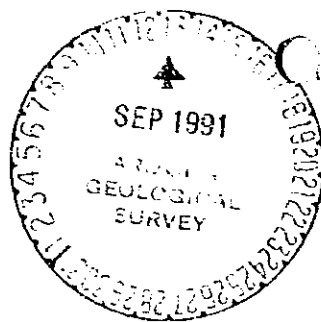
Enclosed are the completed AZ forms #7 and #18 for Navajo Tract 138 Well #3. As I informed you, very little well testing was done. On form #7 (formation pressure report), the only measured pressure was the shut-in tubing pressure which was 1050 psi. I calculated a bottom hole pressure of 1194 psi based on the gas gravity, producing zone depth, and various temperature and pressure correction factors. On form #18, the test that was performed could be called a one point pressure test using a critical flow prover. I have included some general procedures and calculation methods for this type of test. For this test, only one size of orifice was used and therefore, only one point was obtained. An AOF calculation requires at least two points in order to determine a slope. I calculated an AOF using a slope of 1 and of .5, these values represent the maximum slope and the minimum slope that are acceptable for gas well tests in the State of Texas. As a comparison, Navajo Tract 138-Well #2 was four point tested in 1969 and had an AOF of 4142 MCF/Day with a slope of 0.743. Using .0743 in the calculations for Well #3 would give an AOF of 1965 MCF/Day.

Data used to fill out Form #7 and Form #18 came from the enclosed gas analysis and pressure data came from the critical flow prover test (revised copy of test results enclosed).

If you have any questions regarding these forms, please contact us.

Sincerely,

Bob Hand
Bob Hand



September 11, 1991

Steve:

Enclosed is AZ Form 4 along with some other information on Navajo Tract 138 Well #3. I will send Form 7 and 18 as soon as I finish them.

For your information, the initial daily production reported on Form 4 is 800 MCF, 0 condensate, and 0 water at 800 psi wellhead pressure. This was the well's first day production through the separator into the sales line. Since then, the chart recorder that was on the well was replaced by a digital meter and daily gas production increased to 1,100 MCF at 760 psi (800 MCF/day apparently a meter reading error?). Water production amounts to a slight mist when the separator dumps. Condensate is hooked from the separator into the old oil flow line which runs approximately 1/2 mile into the oil tank battery. Since the line was partially void, we are not sure if the well is not making any condensate or if it has not made a sufficient volume or does not have sufficient pressure to flow into the tank at 1/2 mile distance.

If you have any questions about the forms or other material, please contact us.

Sincerely,

Bob Hand



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

July 16, 1991

Ken Hand, President
Dry Mesa Corporation
15 Willowbrook
Wichita, KS 67207

RE: Recompletion of Navajo 138 #3 (State Permit 115)
Dry Mesa Field, Apache County, Arizona

Dear Ken:

I acknowledge receipt of your workover plan to perforate and test the Paradox Formation in the Navajo 138-3. The plan is approved as submitted provided that:

- 1) Adequate blowout prevention equipment shall be used.
- 2) I am notified at least 48 hours prior to commencement.
- 3) Sundry reports shall be filed weekly on Form 25.
- 4) Copies of ALL LOGS and TEST RESULTS are filed.

The following forms are enclosed for your use.

- 1) Well Completion or RECOMPLETION Report (Form 4).
- 2) Reservoir Pressure Report (Form 7).
- 3) Back Pressure Test for Gas Well (Form 18).
- 4) Sundry Report (Form 25), BLM Form 3160-5 acceptable.

Please be advised that Commission Order No. 56 has established 160-acre spacing in all of Sections 1, 2, 11, and 12 in T40N-R28E. The Navajo 138-3 has been designated as the unit well for the SE 1/4 of Section 2. A copy of this Order is enclosed.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Program Administrator

Enclosures



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF ARIZONA**

In the matter of the Hearing called
by the Oil and Gas Conservation
Commission of the State of Arizona
for the purpose of considering:

CASE NO. 62
ORDER NO. 56

The application of Chuska Energy Company
to establish a rule for 160-acre spacing
in the Black Rock Field, Apache County,
Arizona

ORDER OF THE COMMISSION

This cause was considered at 10:05 A.M. on September 15, 1989 at Phoenix, Arizona by the OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF ARIZONA, hereinafter referred to as the COMMISSION.

The COMMISSION, a quorum being present, having considered the facts presented and being fully advised in the premises, finds as follows:

FINDINGS:

(1) THAT the COMMISSION has jurisdiction of the subject matter thereof, pursuant to ARS 27-504 and 27-516 A.12.

(2) THAT adequate geological and engineering data has been presented to the COMMISSION to conclude that the Paradox formation in the subject area is a pool and a separate common source of supply of gas and associated hydrocarbons.

(3) THAT 640-acre spacing will not adequately drain the reservoir, resulting in waste of the resource.

(4) THAT spacing of less than 160 acres per well would result in drilling of unnecessary wells.

Chuska Energy Company
Page - 2 -

(5) THAT 160 acres is not less than the maximum area that can be effectively drained in an efficient and economical manner by a single well producing gas and associated hydrocarbon from the Paradox formation in subject area.

(6) THAT it is in the best interest of the people of the STATE OF ARIZONA that the application for 160-acre spacing in Black Rock Field, Apache County, Arizona be approved.

THEREFORE the COMMISSION orders:

(1) THAT there be established 160-acre spacing units for the production of gas and associated hydrocarbons in the following area:

T40N-R29E G&SRB&M

Sec 7, W 1/2 and SE 1/4	Sec 18, N 1/2 and SE 1/4
8, S 1/2	20, NE 1/4
9, S 1/2	21, All
15, W 1/2	22, All
16, All	23, SW 1/4
17, All	26, NW 1/4
	27, N 1/2

T40N-R28E G&SRB&M

Sec 1, All	Sec 11, All
Sec 2, All	Sec 12, All

(2) THAT the 160-acre spacing units shall correspond with governmental quarter sections according to the protracted governmental survey of the area.

(3) THAT except as provided in Section 4 below, no gas well shall be drilled closer than 660 feet from the outer boundary of any quarter section, in the area spaced.

(4) THAT the following existing wells are designated as the unit wells for the spacing unit in which they are located even though they are exceptional locations.

O&G Permit #	Name	Spacing Unit
115	Dry Mesa (Texas Pacific) 138-3Navajo	SE 1/4 Sec 2 T40N-R28E
615	Chuska (American Fuels) Black Rock 2 (1Navajo AC)	NE 1/4 Sec 17 T40N-R29E
581	Chuska (Am Fuel, CSO) Black Rock 3 (1-16 Navajo)	NW 1/4 Sec 16 T40-R29E

Chuska Energy Company
Page - 3 -

(5) THAT the producing interval to which this order applies is the Pennsylvanian Paradox formation correlative with the interval 4567 feet to 5558 feet in the well Chuska Energy (American Fuels) Black Rock #2 (1Navajo AC) located in Section 17, T40N-R29E, Apache County, Arizona.

OIL AND GAS CONSERVATION COMMISSION

By J. Dale Nations
J. Dale Nations, Chairman

DATE 9/29/89

(SEAL)

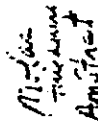
ATTEST:

Daniel J. Brennan
Daniel J. Brennan
Executive Director

DATE October 2, 1989

29E

DRY MEASA FIELD



Steve:

We are going to do this
in a couple of weeks. Please send
us a copy of any well rework
and gas well test forms that the
Commission requires. Thanks

Bob Hand

AZ OIL & GAS
CONSERVATION COMMISSION

JUL 15 1991

SECURITIES SAFEKEEPING
1700 WEST WASHINGTON ST. - PHOENIX, ARIZONA 85007

PERMIT 115

DATE: 11/29/89

STATE AGENCY NO. _____

STATE AGENCY OIL & GAS CONSERVATION COMM. ✓

State Treasurer's Use Only

COMPANY DRY MESA CORPORATION ✓

P O BOX 5446

FARMINGTON, NEW MEXICO 87499

DOMESTIC

FOREIGN

DEPOSIT

C.D. NO.: 2538054 ✓

BANK: VALLEY NATIONAL BANK OF AZ ✓

MATURITY DATE: 11/24/92 ✓

INTEREST RATE: 8.0 % ✓

AMOUNT \$ 25,000.00 ✓

C.D. ASSIGNMENT MUST BE ATTACHED UNLESS C.D. IS PAYABLE TO STATE TREASURER

RELEASE

C.D. NO.:

BANK:

MATURITY DATE:

INTEREST RATE: %

AMOUNT \$

STATE TREASURER VALIDATION NO. _____

RECEIVED
NOV 29 3 19 PM '89
STATE TREASURER

RECEIVED THE ABOVE RELEASE

STATE AGENCY AUTHORIZATION

BY

Authorized Signature

Date

BY

Authorized Signature

STATE TREASURER AUTHORIZATION

BY

Authorized Signature

FOR BANK USE ONLY

BANK AUTHORIZATION

BY

Authorized Signature

Checked by

Verified by

STATE'S DEPOSITORY BANK

ASSIGNMENT TO ARIZONA STATE TREASURER
SECURITY IN LIEU OF CASH DEPOSIT FOR COMPLIANCE WITH
SECTION 35-155 ARIZONA REVISED STATUTES

NAME DRY MESA CORPORATION
P. O. Box 5446, Farmington
STREET ADDRESS San Juan New Mexico 87499 505 325-2058 CITY
COUNTY San Juan STATE New Mexico TELEPHONE NUMBER

hereinafter referred to as ASSIGNOR, does hereby assign and transfer to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, all right, title and interest of any kind whatsoever, owned or held by Assignor in the principal, but not in the interest hereinafter accruing after the date of this assignment in the insured account of ASSIGNOR so long as such funds remain on deposit in the

Valley Bank Of Arizona, St. Johns Branch

FINANCIAL INSTITUTION

whose address is 820 West Cleveland, St. Johns, Apache, Arizona 85936
STREET ADDRESS CITY COUNTY

Arizona, as evidenced by an C.D. account in the amount of Twenty Five Thousand And No/100 dollars (\$ 25,000.00) identified by account number 8562-9077 which account is insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. This assignment is given as security for compliance with ARS 27-501 to 539 and with the Rules of the Oil and Gas Conservation Commission.

Dated this 20th day of November, 19 89, at Farmington, N.M. Arizona.

IMPORTANT - SIGNATURE OF ASSIGNOR

This Assignment shall be signed by the
Individual Himself

Dry Mesa Corporation
NAME OF ASSIGNOR EXACTLY AS SHOWN ABOVE
BY: [Signature]
SIGNATURE OF ASSIGNOR

FIRST ENDORSEMENT - RECEIPT FOR NOTICE OF ASSIGNMENT

Receipt is hereby acknowledged to the Treasurer of the State of Arizona, hereinafter referred to as the TREASURER, of written notice of the assignment to said Treasurer of the above-identified account. We have noted our records to show the interest of the Treasurer in said account as shown in and by the assignment above. We have retained a copy of this document. We hereby certify that we have not received any notice of lien, encumbrance, hold, claim or other obligation against the above-identified account prior to its assignment to the Treasurer. We further hereby waive any current and future right of set-off against such account. We agree to make payment as required by the Rules and Regulations of the Treasurer adopted in accordance with applicable laws and the law applicable to this institution.

Dated this 24TH day of NOVEMBER, 19 89, at ST JOHNS, Arizona
VALLEY NATIONAL BANK OF ARIZONA

BY [Signature] Personal Banker
NAME OF FINANCIAL INSTITUTION TITLE
SIGNATURE OF OFFICER OF FINANCIAL INSTITUTION

Subscribed and sworn before me this 27th day of November, 19 89.

[Signature]
NOTARY PUBLIC SIGNATURE

My Commission Expires Oct. 21, 1990

COMMISSION EXPIRES

SECOND ENDORSEMENT - RECEIPT FOR SECURITY AND DIRECTION TO PAY EARNINGS

Receipt is acknowledged of the assignment above and the account identified in the assignment above. The financial institution named in the assignment above is hereby authorized and directed to pay any earnings credited after the date of this assignment on the above-identified account of the above-named assignor.

Dated this _____ day of _____, 19 _____, at _____, Arizona.

ARIZONA STATE TREASURER
By: [Signature]
Treasurer or Authorized Representative
(Prepare in duplicate. Please Type all Information)

Attach Original Assignment to Certificates of Deposit and File with State.

RECEIVED
ARIZONA STATE TREASURER
NOV 29 3 19 PM '89



Valley National Bank of Arizona

BRANCH ST JOHNS

Certificate of Deposit
NON TRANSFERABLE

2538054

BRANCH NO. 043 DATE 11-24-89

THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THIS BANK

PAY TO ARIZONA STATE TREASURER

ACCOUNT NO.

8562-9077

\$ 25,000.00

DEPOSITED BY:

(UPON
SURRENDER
OF THIS
CERTIFICATE
PROPERLY
ENDORSED)

DRY MESA CORPORATION

P O BOX 5446

FARMINGTON, NEW MEXICO 87499

THIS CERTIFICATE MATURES IN 3 YEARS FROM ISSUE DATE ON

NOVEMBER 24 1992 INTEREST IS TO BE PAID MONTHLY

AT THE RATE OF 8.0000 % PER ANNUM ON A 365 DAY YEAR BASIS

FIRST INTEREST PAYMENT DUE DEC 24, 1989

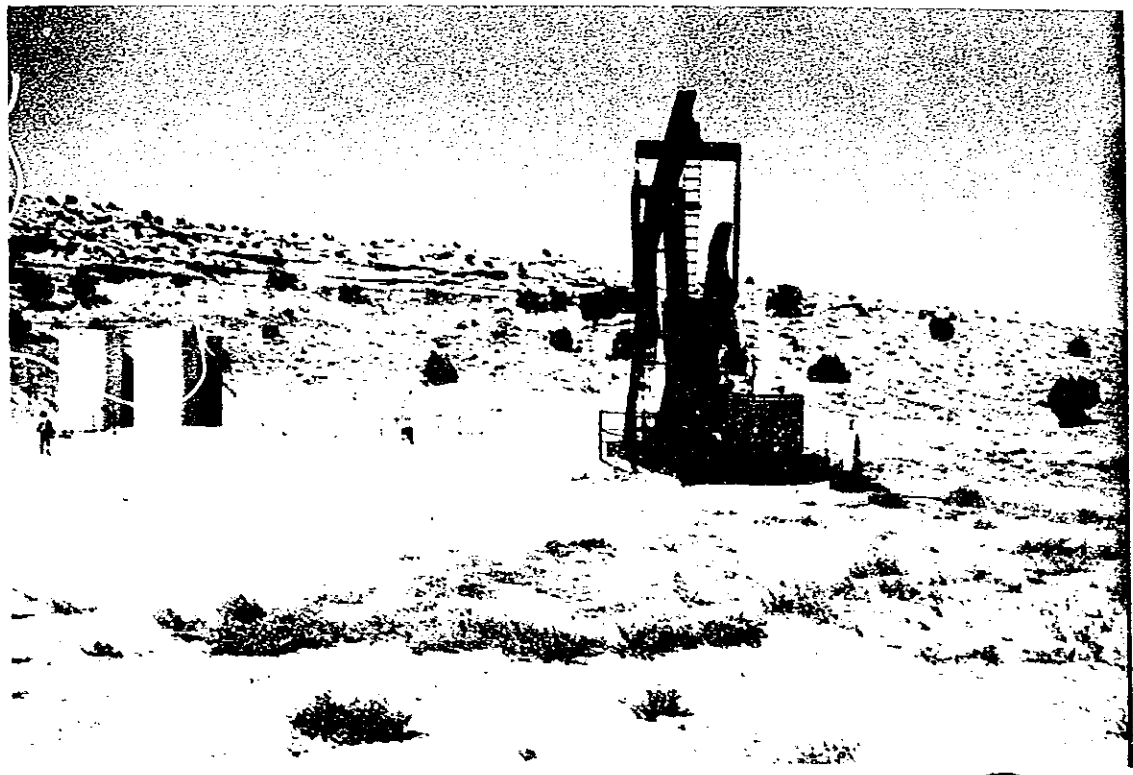
☐ SINGLE MATURITY - INTEREST CEASES AT MATURITY.

☒ AUTOMATICALLY RENEWABLE - THIS CERTIFICATE WILL AUTOMATICALLY RENEW EVERY 3 YEARS

UNLESS REDEEMED WITHIN 10 CALENDAR DAYS (ONE BUSINESS DAY FOR MATURITIES OF 31 DAYS OR LESS) AFTER ANY MATURITY. THE BANK RETAINS THE RIGHT TO REDEEM THIS CERTIFICATE OR CHANGE THE INTEREST RATE AS OF ANY MATURITY.

0-100-0075 REV. 6/85

Susan J. Chambers
AUTHORIZED SIGNATURE



15A Dry Mesa

(PW 115)

1489 Cross Creek (Texas Pacific) New 128-3
138-3

2,4010-28E



ISA Dry Mesa
10/89

(P/W 115)

Cross Creek (Texas Pacific) Navajo 138-3

2, 40 N-28E

CROSS CREEK CORPORATION
P.O. BOX 1957
DUNCAN, OK. 73534-1957

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

January 23, 1989

Arizona Oil & Gas Commission
5150 N 16th Street B141
Phoenix, Az. 85016

RE: Dry Mesa Field, Tract 138 Lease
Teec Nos Pos Field, Navajo "O"

Attention: Dan Brennan

Dear Sir:

Enclosed herewith please find copies of the following
information:

Tax Sale Notice
Letter to Apache County Treasurer
Agreement of Sale & Purchase

If you have any questions please feel free to call.

Thank you,



Scott L. Hand
Cross Creek Corporation

CROSS CREEK CORPORATION
P.O. BOX 1957
UNCAN, OK. 73534-1957

AZ OIL & GAS
CONSERVATION COMMISSION

JAN 26 1990

January 23, 1990

Lavere O. Connolly
Apache County Treasurer
P.O. Box 699
St. Johns, Az. 85936

RE: Parcel ID 989-12-700-00-8

Dear Mr. Connolly:

Enclosed herewith please find a copy of the Agreement of Sale and Purchase from Cross Creek Corporation to Ken R. Hand d/b/a Dry Mesa Corporation effective February 15, 1989 for Operating Rights of the leases this tax statement covers. For your convenience I have highlighted the following items:

- #2) Buyer's Representations (c)
- #5) Taxes
- #7) Effective Date
- #15) Miscellaneous

Cross Creek Corporation has mailed or delivered to Kenneth R. Hand d/b/a Dry Mesa Corporation, P.O. Box 5446, Farmington, NM 87499 and/or #15 Willowbrook, Wichita, Ks. 67207, any and all tax statements, requests and demands as follows:

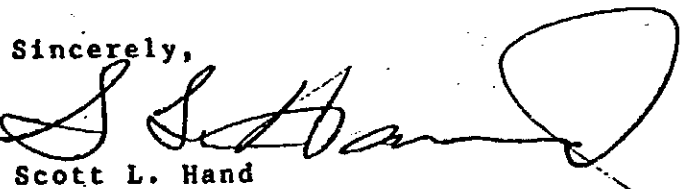
- a) Copy 1988 Tax Statement, delivered 2/13/89
- b) Original 1988 Tax Stment, delivered 2/14/89
- c) Delinquent Tax Notice, mailed 10/5/89
- d) 1989 Original Tax Statement, mailed 10/5/89
- e) Tax Sale Notice, mailed 1/23/89

We have also notified by mail, the sale of these properties, to the Arizona Department of Revenue, Division of Evaluation and Equalization, Sales, Use & Severance Tax Division and Apache County Tax Assessor.

We are asking that any further request regarding these properties be sent to the current operator, Kenneth R. Hand d/b/a Dry Mesa Corporation at the address or addresses above.

Thank you for your prompt attention and cooperation in this matter.

Sincerely,


Scott L. Hand
Vice-President/Secretary

cc: Kenneth R. Hand d/b/a Dry Mesa Corporation
cc: Arizona Oil & Gas Commission

**AZ OIL & GAS
CONSERVATION COMMISSION**

JAN 26 1990

**LAVERE O. CONNOLLY
APACHE COUNTY TREASURER
P. O. BOX 699
ST. JOHNS, ARIZONA 85936
TELEPHONE: (602) 337-4364 EXT. 252**

JAN 22 REC'D

JANUARY 8, 1990

**CROSS CREEK CORP.
SCOTT HAND
P. O. BOX 447
FARMINGTON, N. M. 77057**

**PARCEL ID 989-12-700-00-B
DESCRIPTION VALUE OF PRODUCING OIL AND GAS INTEREST**

**** TAX SALE NOTICE ****

YEAR	RECEIPT	TAX CERT	TAX	INTEREST	TOTAL
88 F	43741		8,993.06	1,438.89	10,431.95
89 F	43644		4,403.62	88.07	4,491.69
TOTAL IF PAID BY FEBRUARY 1, 1990					14,923.64

**PAYMENT MUST BE MADE BY CERTIFIED CHECK, CASHIERS CHECK, OR POSTAL
MONEY ORDER.
THIS PARCEL HAS DELINQUENT TAXES. ADDITIONAL TAXES, INTEREST, AND
PENALTIES MAY BE DUE.
UNDER THE PROVISIONS OF THE STATUTES COVERING DELINQUENT TAXES, IT
IS MANDATORY FOR ME TO ADVERTISE & SELL ALL TAXES OLDER THAN 1989, WHICH
ARE OUTSTANDING AGAINST THIS PROPERTY AFTER FEBRUARY 1, 1990
(ARS #42-385).**

**SINCERELY YOURS,
LAVERE O. CONNOLLY
APACHE COUNTY TREASURER**

JAN 26 1990

AGREEMENT OF SALE AND PURCHASE

This agreement made and entered into this 15th day of February, 1989 by and between CROSS CREEK CORPORATION, an Oklahoma corporation, with an office and place of business at #30 Road 1990, Farmington, New Mexico 87499; hereinafter sometimes called "Seller," and DRY MESA CORPORATION, a Delaware corporation, with an office and place of business at #15 Willowbrook, Wichita, Kansas 67207, hereinafter sometimes called "Buyer."

Seller agrees to sell and Buyer agrees to buy for the sum described hereinafter the following described and referred to properties and interests which are together hereinafter sometimes referred to as the "Subject Interests."

All of Seller's right, title and interest in and to:

1. All of those properties, rights and interests described on Exhibit "A", attached hereto and made a part hereof for all purposes, together with all operating rights as to the oil, gas and mineral leases described on Exhibit "A".
2. Together with all units associated with the oil, gas and mineral leases noted on said Exhibit and all personal property, improvements, moveables, easements, permits, licenses, servitudes and rights-of-way situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of the oil, gas or other minerals produced from such leases, including, but not by way of limitation, wells, tanks, boilers, buildings, fixtures, machinery and other equipment, pipelines, power lines, telephone and telegraph lines, roads and other appurtenances situated upon or used or useful or held for future use in connection with the exploration, development, maintenance or operation of the properties, rights and interests described in No. 1 hereinabove or the production, treating, storing or transportation of oil, gas or other minerals produced from the properties, rights and interests described in No. 1 hereinabove.

This agreement does not cover the sale and conveyance of any gas purchase pipelines, gas purchase facilities or gas purchase contracts.

This agreement and conveyance is made and accepted subject to the following terms and conditions:

1. Seller's Representations: Seller represents to Buyer:

- (a) That the Subject Interests include all the property rights acquired by CROSS CREEK CORPORATION on those leases. (See Exhibit "A".)
- (b) That, to the best of Seller's knowledge, there are no administrative proceedings, litigations or claims pending (other than those listed below), affecting or relating to the ownership, use, operation or maintenance of the Subject Interests.
- (c) That, to the best of Seller's knowledge, all oil and gas leases, contracts, licenses, easements, permits and other rights and interests comprising

any portion of the Subject Interests are now and shall be as of the date of closing in full force and effect according to their respective terms and provisions and that all rights granted thereby are valid and subsisting, and Seller has received no notices or demands affecting or relating to such rights.

- (d) That, to the best of Seller's knowledge, all payments of rentals, royalties, and other charges, if any, required by the terms and provisions of the oil, gas and mineral leases, contracts, licenses, permits and easements comprising any portion of the Subject Interests to be made prior to closing date to prevent forfeiture or termination thereof shall have been fully and timely paid.
- (e) That all consents, waivers or permissions required for the valid and effective conveyance and assignment to Buyer of any rights or interests included within the Subject Interests have been obtained or will be obtained prior to the date of closing, and, if requested by Buyer, satisfactory evidence thereof will be furnished to Buyer at or before the date of closing.
- (f) That Seller has caused no lien to attach to any of the Subject Interests.
- (g) Seller has full power and authority to enter into and perform its obligations under this agreement and has taken all proper corporate action to authorize entering into this agreement and the performance of its obligations hereunder.
- (h) That Seller shall not have received, prior to the closing date, any prepayment for production of oil, gas or other minerals from the Subject Interests produced subsequent to the effective date hereof except payments for which Seller will make proper accounting to Buyer on the date of closing.
- (i) The conveyance and assignment from Seller to Buyer of the Subject Interests will contain no warranty of title to the Subject Interests, either expressed or implied, except that as to those items listed on Exhibit "A". Seller warrants that the Subject Interests have not been disposed of, mortgaged or encumbered by Cross Creek Corporation.

2. Buyer's Representations: Buyer represents to Seller:

- (a) That Buyer is negotiating this transaction and entering into this contract for its own account.
- (b) That Buyer will promptly cooperate in the closing of the transaction evidenced hereby after being informed by Seller that the papers necessary for such conveyance have been prepared.
- (c) That Buyer will promptly post a bond necessary to meet the requirements of operation of the Subject Interests. The buyer will accept any and all liabilities that should occur by the absence of such bonds.

3. Buyer's Conditions to Closing: The obligations of Buyer under this agreement to purchase the Subject Interests

shall, at Buyer's option, be conditioned upon the following:

- (a) Seller shall have performed all of the terms and provisions contained in this agreement to be performed.
 - (b) At the date of closing, no suit, action or other proceeding shall be pending or threatened in which it is sought to restrict or prohibit the consummation of the sale of the Subject Interests as contemplated by this agreement or in which title of Seller to any part of the Subject Interests is brought into question.
4. Records, Contracts and Files: If requested by Buyer, all original lease and land records, and all existing contracts, well files, including all well logs, core analyses, drilling records, filed forms, and all other materials pertaining to the Subject Interests in possession of Seller and copies or duplicates of which Buyer does not have shall be delivered to Buyer and, as of closing, shall become the property of Buyer as a part of the Subject Interests.
 5. ~~Real Property and/or Mineral Rights~~ Necessary Interest Taxes that remain unpaid against the ~~Subject Interests~~ shall be the responsibility of Buyer.
 6. Conditions and Covenants: Buyer agrees that from and after the effective date, hereinafter noted, it will assume and carry out all conditions and covenants and obligations contained in the leases, contracts, licenses, easements and permits comprising the Subject Interests which Buyer is legally obligated to perform. Seller declares that, to the best of its knowledge, such conditions, covenants and obligations have been fully complied with and performed down to the effective date hereinafter noted and agrees to hold Buyer harmless from any claim or judgment arising out of Seller's failure to so comply with and perform any such conditions, covenants and obligations with which Seller was legally obligated to comply or as to which Seller was legally obligated to perform.
 7. ~~Effective Date: The conveyance and assignment of Subject Interests to Buyer shall be made effective as to the date~~ hereinafter noted above.
 8. The Buyer will assume ownership of any and all oil remaining in the tanks on the Subject Interests. The Seller will receive all monies for oil sold before the effective date and will pay all royalties and severance taxes due upon said production. After such royalties and taxes are paid, fifty (50) percent of the remaining monies will be paid to Hay Hot Oil under the terms of Exhibit "C", and the remaining fifty (50) percent will be credited to Sun's Interest.
 9. Closing Date: This sale and purchase shall be consummated and closed on the day first written above.
 10. Operation of Subject Interests: All costs and expenses of the operation of the Subject Interests after the effective date shall be charged to the account of Buyer and shall be paid solely by Buyer.
 11. Delivery of Records, Contracts and Files: At the time of


closing, or as soon thereafter as possible, Seller shall deliver to Buyer all records, contracts, files and other materials herein required to be furnished and delivered by Seller and which have not already been so delivered to Buyer. At closing, Seller shall then deliver to Buyer instruments of assignment and conveyance covering all of the Subject Interests duly executed and acknowledged on behalf of Seller.

12. Payment of Purchase Price: Buyer agrees to assume the liabilities as shown on Exhibit "B". The liability to Hay Hot Oil, Incorporated will be met under the conditions as set out in an agreement between Hay Hot Oil, Incorporated and Cross Creek Corporation and attached as Exhibit "C". The liability to Cross Creek Corporation will be met by and in a promissory note and agreement between the Buyer and Seller and a copy herein attached as Exhibit "D".
13. Negotiations of This Sale and Purchase: Each party represents that it has negotiated this transaction only through its own personnel and has incurred no obligation to any agent or broker for any commission in connection with this transaction.
14. Entire Agreement: This agreement contains the entire agreement between the parties hereto with respect to the transaction covered hereby and supersedes all prior agreements between the parties, oral or written, relating to the subject matter of this agreement. This agreement shall extend to and be binding upon the heirs, successors and assigns of the parties hereto. An assignment shall be executed in consummation of this agreement. Any conflict between said assignment and this agreement shall be resolved in favor of this agreement.
15. Miscellaneous:
 - (a) The personal property, improvements and moveables included in the Subject Interests are to be conveyed without any warranties, expressed or implied, as to quality, merchantability or fitness for use of or for a particular purpose. Additionally, such items will be conveyed "as is" and "where is."
 - (b) Buyer agrees to indemnify and hold Seller harmless from any and all claims, attorneys' fees, demands, costs, expenses, or losses, suits, fines, damages, rulings and judgments accruing on and after the effective date and based on or in any way related to the use, operation, maintenance, removal or maintenance of the personal property, improvements and moveables included in the Subject Interests.
 - (c) Buyer agrees that, upon the closing of this transaction, it solely assumes the full obligation to properly and promptly plug and abandon all wells needing such operations and located on the Subject Interests.
 - (d) Buyer shall fully comply with all rules, regulations, orders, laws and rulings with respect to the Subject Interests and agrees to indemnify and hold Seller harmless from any attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to so comply.

- (e) Buyer shall fully comply with all terms, covenants and conditions of the oil, gas and mineral leases included in the Subject Interests and all related documentation and agrees to indemnify and hold Seller harmless from all claims, demands, fines, attorneys' fees, judgments and damages accruing on and after the effective date and resulting from Buyer's failure to so comply.
- (f) Buyer hereby agrees to indemnify and hold harmless Seller from all attorneys' fees, costs, fines, damages, claims, judgments, and losses, including after said effective date, and resulting from, arising out of or associated with the Subject Interests, or any part thereof.
- (g) Buyer and Seller, for themselves and any related business concerns, hereby waive and release any and all claims and causes of action in favor of Buyer or Seller, and any related business concern, against Buyer or Seller, and any related business concern, and arising out of the contractual or business relationship of Buyer and Seller, or any related business, as to the Subject Interests, excluding this Agreement of Sale and Purchase and said Assignment executed pursuant to this Agreement of Sale and Purchase. If this waiver and release is legally ineffectual then Buyer and Seller hereby agrees to indemnify and hold harmless each other from any and all claims, damages and causes of action in behalf of each (or in behalf of any affiliate or related business concern of each) except for those claims, damages and causes of action arising by virtue of or pursuant to this Agreement of Sale and Purchase or said Assignment, and arising out of, related to or associated with the contractual or business relationship of Seller (or any affiliate or related business concern of Seller) with Buyer (or any affiliate or related business concern of Buyer) as to the Subject Interests.
- (h) The conveyance of the Subject Interests shall be made specifically subject to any and all conveyances, reservations and matters of record in Apache County, Arizona, or the Bureau of Land Management, even though such conveyances, reservations and matters are not specifically recited herein or in said conveyance, to any gas purchase contracts currently in force as to the Subject Interests, if any, and to all non-consent elections by seller or its predecessors in interest.

This agreement may be executed in one or more counterparts, each of which shall have the same validity as the original. This instrument is signed effective as to the date first written above.

SELLER: CROSS CREEK CORPORATION


S. L. Hand
Vice President/Secretary

BUYER: DRY MESA CORPORATION



Kenneth R. Hand
President

EXHIBIT "A"

LEASE SCHEDULE

LEASE NO.	NAME	LEASE DATE & TERM	BASIC RI	ORRI BURDEN	DESCRIPTION	GROSS	
						ACRES	NET ACRES
BIA 14-20- 603-4190	Navajo Tract 138	05/28/58 HBP	16.67%	-0-	Township 40 North, Range 28 East Section 1 : All Section 2 : All Section 11 : All Section 12 : All	2,357.00	1,178.50
					Apache County, Arizona		
BIA 14-20- 603-716	Teec Nos Pos	10/07/54	12.5%	-0-	Township 41 North, Range 30 East Section 23: S $\frac{1}{2}$ Section 25: W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ Section 26: NE $\frac{1}{4}$	640.00	640.00



Oil and Gas Conservation Commission

STATE OF ARIZONA

5150 N. 16th STREET, SUITE B-141
PHOENIX, ARIZONA 85016
PHONE: (602) 255-5161

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF ARIZONA**

In the matter of the Hearing called
by the Oil and Gas Conservation
Commission of the State of Arizona
for the purpose of considering:

CASE NO. 62
ORDER NO. 56

The application of Chuska Energy Company
to establish a rule for 160-acre spacing
in the Black Rock Field, Apache County,
Arizona

ORDER OF THE COMMISSION

This cause was considered at 10:05 A.M. on September
15, 1989 at Phoenix, Arizona by the OIL AND GAS CONSERVATION
COMMISSION OF THE STATE OF ARIZONA, hereinafter referred to
as the COMMISSION.

The COMMISSION, a quorum being present, having
considered the facts presented and being fully advised in
the premises, finds as follows:

FINDINGS:

(1) THAT the COMMISSION has jurisdiction of the
subject matter thereof, pursuant to ARS 27-504 and 27-516 A.12.

(2) THAT adequate geological and engineering data has
been presented to the COMMISSION to conclude that the
Paradox formation in the subject area is a pool and a
separate common source of supply of gas and associated
hydrocarbons.

(3) THAT 640-acre spacing will not adequately drain
the reservoir, resulting in waste of the resource.

(4) THAT spacing of less than 160 acres per well would
result in drilling of unnecessary wells.

Chuska Energy Company
Page - 2 -

(5) THAT 160 acres is not less than the maximum area that can be effectively drained in an efficient and economical manner by a single well producing gas and associated hydrocarbon from the Paradox formation in subject area.

(6) THAT it is in the best interest of the people of the STATE OF ARIZONA that the application for 160-acre spacing in Black Rock Field, Apache County, Arizona be approved.

THEREFORE the COMMISSION orders:

(1) THAT there be established 160-acre spacing units for the production of gas and associated hydrocarbons in the following area:

T40N-R29E G&SRB&M

Sec 7, W 1/2 and SE 1/4	Sec 18, N 1/2 and SE 1/4
8, S 1/2	20, NE 1/4
9, S 1/2	21, All
15, W 1/2	22, All
16, All	23, SW 1/4
17, All	26, NW 1/4
	27, N 1/2

T40N-R28E G&SRB&M

Sec 1, All	Sec 11, All
Sec 2, All	Sec 12, All

(2) THAT the 160-acre spacing units shall correspond with governmental quarter sections according to the protracted governmental survey of the area.

(3) THAT except as provided in Section 4 below, no gas well shall be drilled closer than 660 feet from the outer boundary of any quarter section, in the area spaced.

(4) THAT the following existing wells are designated as the unit wells for the spacing unit in which they are located even though they are exceptional locations.

O&G Permit #	Name	Spacing Unit
115	Dry Mesa (Texas Pacific) 138-3Navajo	SE 1/4 Sec 2 T40N-R28E
615	Chuska (American Fuels) Black Rock 2 (1Navajo AC)	NE 1/4 Sec 17 T40N-R29E
581	Chuska (Am Fuel, CSO) Black Rock 3 (1-16 Navajo)	NW 1/4 Sec 16 T40-R29E

Chuska Energy Company
Page - 3 -

(5) THAT the producing interval to which this order applies is the Pennsylvanian Paradox formation correlative with the interval 4567 feet to 5558 feet in the well Chuska Energy (American Fuels) Black Rock #2 (1Navajo AC) located in Section 17, T40N-R29E, Apache County, Arizona.

OIL AND GAS CONSERVATION COMMISSION

By J. Dale Nations
J. Dale Nations, Chairman
DATE 9/29/89

(SEAL)

ATTEST:

Daniel J. Brennan
Daniel J. Brennan
Executive Director
DATE October 2, 1989



Oil and Gas Conservation Commission

STATE OF ARIZONA

3110 N. 19th AVENUE, SUITE 190

PHOENIX, ARIZONA 85015

PHONE: (602) 255-5161

April 6, 1989

Mr. K. R. Hand
Dry Mesa Corporation
P. O. Box 5446
Farmington, NM 87499

Dear Mr. Hand:

Regarding our telephone conversation on April 5, 1989, I have enclosed the following forms to properly document the transfer of property at the Teec Nos Pos and Dry Mesa Fields from Cross Creek Corporation to Dry Mesa Corporation.

- Form 1: Organization Report (File 1 copy)
- Form 2: Performance Bond (File 2 copies)
- Form 8: Operators Certificate of Compliance and Authorization to Transport Oil or Gas From Lease (File 2 copies)
- Form 16: Producers Monthly Report (File 1 copy monthly)

As for the particular wells involved in the sale, the Arizona Oil and Gas Conservation Commission accepts copies of the Sundry Notices sent to the BLM that provide the legal description, well locations, and the status as of the date of sale.

Sincerely,

Steven L. Rauzi

Steven L. Rauzi
Oil & Gas Specialist

Encl.

1300 Post Oak Tower
5051 Westheimer
Houston, Texas 77056
Telephone (713) 877-5999
Fax (713) 877-5950
Telex 262496



August 19, 1986

Mr. R. A. Ybarra
Enforcement Director
Oil & Gas Conservation Commission
State of Arizona
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Re: BHP Petroleum (Americas)-
Bond #731451
BHP Petroleum Company -
Bond #8111-66-21

Dear Mr. Ybarra:

Pursuant to your request July 16, 1986 of Ms. Diana Jones, we submit the following well information by company:

BHP Petroleum Company Apache County, Arizona
Formerly: Monsanto Oil Company
Dry Mesa Field
Navajo Tract 138
Well #'s

State Permit No.

1	77
2	106
3	115
6	852

Legal Description on the above is: Sec 1, 2, 11 & 12 TWP 40N-29.

BHP Petroleum (Americas) Apache County, Arizona
Teec Nos Pos, Ismay Field
Navajo Tribal 'O'

<u>Well #'s</u>	<u>State Permit No.</u>	<u>Section No.</u>
1	232	23
2	582	23
3	640	23
4	663	23
5	678	26
6	683	25
9	687	26

TWP 41N-30E.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
1645 WEST JEFFERSON, SUITE 420
PHOENIX, ARIZONA 85007
PHONE: (602) 255-5161

July 16, 1986

Mr. Barney E. Sullivan
Manager, Bonds & Insurance
BHP Petroleum (Americas) Inc..
217 North Water Street
Wichita, KS 67201

Re: BHP Petroleum Company Inc.
Blanket Bond No. 811-66-21
Dry Mesa Field
Apache County

Dear Mr. Sullivan:

This letter is to inform you that the above-captioned bond has been received and approved by the Commission, and that effective July 15, 1986, the old Monsanto Oil Company bond No. 328-6165 is eligible for release.

Enclosed is a copy of the approved bond.

If I can be of further assistance, please let me know.

Sincerely,

R. A. Ybarra
R. A. Ybarra
Enforcement Director

1r
Encl.

RECEIVED

JUL 7 1986

CERTIFIED MAIL O & G CONSERV. COM.

217 North Water Street
Post Office Box 1201
Wichita, Kansas 67201
Telephone (316) 265-7721
Fax (316) 264-6929
Telex II (910) 741-6940

July 3, 1986



State of Arizona
Oil & Gas Conservation Commission
Attn: Ms. Katie Barnes
1645 West Jefferson, Suite 420
Phoenix, Arizona 85007

Re: Statewide Drilling Bond
BHP Petroleum Company Inc.
Bond #8111-66-21

Dear Ms. Barnes:

Enclosed please find two copies of the captioned bond for our new subsidiary, BHP Petroleum Company Inc., formerly Monsanto Oil Company. Along with this bond is a rider accepting the liability for the old Monsanto Oil Company bond #328-6165/10720. We would appreciate you forwarding to us at the address set out above, the original copy of the old bond or a letter of release so we may cancel same.

Thank you for your assistance and should you have any questions or need additional information, please advise.

Very truly yours,

BHP PETROLEUM (AMERICAS) INC.

Barney E. Sullivan
Barney E. Sullivan
Manager, Bonds & Insurance

:dj

Enclosures

Bond No. 8111-66-21 Date Approved 7-15-86

Permits covered by this bond:

503

106

77

115

852

(organization report)
(+ Bond)

Monsanto

Monsanto Company
Suite 500
700 S. Colorado Boulevard
Denver, Colorado 80222
Phone: (303) 757-5451

RECEIVED

FEB 9 1983

O & G CONS. COMM.

February 7, 1983

Arizona Oil & Gas Conservation Commission
1645 West Jefferson Street, Suite 420
Phoenix, Arizona 85007

Re: Bond #328 6165/10720

Gentlemen:

Enclosed please find a fully executed Rider for the captioned bond, which amends the name of the Principal.

If you have any questions, please contact Alan D. Wild of this office.

Yours truly,

MONSANTO OIL COMPANY

Beth Baughn
Beth Baughn
Land Secretary

bb

Enclosure



FIREMAN'S FUND INSURANCE COMPANY
THE AMERICAN INSURANCE COMPANY
NATIONAL SURETY CORPORATION
ASSOCIATED INDEMNITY CORPORATION
AMERICAN AUTOMOBILE INSURANCE COMPANY

RECEIVED

FEB 9 1983

O & G CONS. COMM.

To be attached to and form part of Bond No. 328 6165/10720

in favor of State of Arizona

It is agreed that:

1. The Underwriter gives its consent to the change of the Name of Principal or Address of the Principal from:

Monsanto Company, as principal

to

Monsanto Company and Monsanto Oil Company, a wholly-owned subsidiary of Monsanto Company, as co-principals

PROVIDED, however, that the liability of the Underwriter under the attached bond and under the attached bond as changed by this rider shall not be cumulative.

2. This rider is effective as of noon on November 1, 1982

Signed, sealed and dated December 9, 1982

THE AMERICAN INSURANCE COMPANY

By:

Juanita S. Woodfork, Attorney-in-Fact

Change of Name of Address Rider
For Principal

(331)

State of
County of

Missouri
St. Louis

On December 9, 1982, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Juanita S. Woodfork

known to me to be Attorney-in-Fact of The American Insurance Company
the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.

My Commission Expires

SUE C. SCHROEDER
NOTARY PUBLIC, STATE OF MISSOURI
March 3, 1985

Sue C. Schroeder
Notary Public

GENERAL
POWER OF
ATTORNEY

THE AMERICAN INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That THE AMERICAN INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of New Jersey, and having its principal office in the City and County of San Francisco, California, has made, constituted and appointed, and does by these presents make, constitute and appoint

-----JUANITA S. WOODFORK-----

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VIII, Section 30 and 31 of By-laws of THE AMERICAN INSURANCE COMPANY now in full force and effect.

"Article VIII, Appointment and Authority Assistant secretaries, and Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 30, Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President, may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 31, Authority. The Authority of such Resident Assistant Secretaries, Attorneys-in-Fact, and Agents shall be as prescribed in the instrument evidencing their appointment, and any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of THE AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 28th day of September, 1966, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, THE AMERICAN INSURANCE COMPANY has caused these presents to be signed by its Vice-President.

and its corporate seal to be hereunto affixed this 21st day of September 19 81.



STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO

On this 21st day of September, 19 81, before me personally came Richard Williams, to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of THE AMERICAN INSURANCE COMPANY, the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO

I, the undersigned, Resident Assistant Secretary of THE AMERICAN INSURANCE COMPANY, a NEW JERSEY Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VIII, Sections 30 and 31 of the By-laws of the Corporation, and the Resolution of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City and County of San Francisco. Dated the 9th day of December 19 82



360711-TA-5-81

Juanita S. Woodfork
Resident Assistant Secretary

PERFORM BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 3,286,165

That we: MONSANTO COMPANY

of the County of St. Louis in the State of Missouri

as principal, and The American Insurance Company

of Newark, New Jersey

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of Twenty-five Thousand (\$25,000.00) dollars, lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit:

Statewide blanket bond

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 16th day of June, 19 69

Monsanto Company

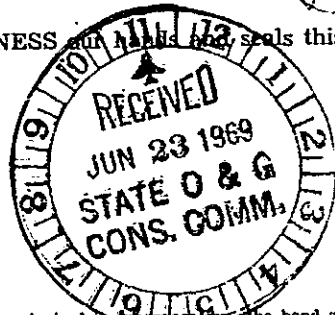
N. G. Jones - Assistant Treasurer
16th day of June, 19 69

The American Insurance Company

By Vivian D. Fanger, Attorney-in-fact

Randy L. Meinar
Surety, Resident Arizona Agent
If issued in a state other than Arizona)

WITNESS our hands and seals, this



(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved Date 6-24-69
STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
By: John Rannister

Permit No. _____

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Bond

File Two Copies

Form No. 2

State of Miss. City of St. Louis ss:

On June 16, 1969, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Vivian D. Fanger

known to me to be Attorney-in-Fact of The American Insurance Company the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.

My Commission Expires February 23, 1973
Frederick Kuwarkowski
Notary Public

GENERAL
POWER OF
ATTORNEY

THE AMERICAN INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That THE AMERICAN INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of New Jersey, and having its Home Office in the City and County of San Francisco, California, has made, constituted and appointed, and does by these presents make, constitute and appoint

Vivian D. Fanger of St. Louis, Missouri

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VIII, Section 30 and 31 of By-laws of THE AMERICAN INSURANCE COMPANY adopted on the 7th day of May, 1963, and now in full force and effect.

"Article VIII, Appointment and Authority of Resident Assistant Secretaries, and Attorneys-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 30. Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President, may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 31. Authority. The Authority of such Resident Assistant Secretaries, Attorneys-in-Fact, and Agents shall be as prescribed in the instrument evidencing their appointment, and any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of THE AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 28th day of September, 1966, and that said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, THE AMERICAN INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereunto affixed this 27th day of September, 19 67.



THE AMERICAN INSURANCE COMPANY

By

S. D. MENIST
S. D. MENIST, Vice-President

GENERAL
POWER OF
ATTORNEY

THE AMERICAN INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That THE AMERICAN INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of New Jersey, and having its Home Office in the City and County of San Francisco, California, has made, constituted and appointed, and does by these presents make, constitute and appoint

Vivian D. Fanger of St. Louis, Missouri

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

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IN WITNESS WHEREOF, THE AMERICAN INSURANCE COMPANY has caused these presents to be signed by its Vice-President, and its corporate seal to be hereunto affixed this 27th day of September, 19 67.



THE AMERICAN INSURANCE COMPANY

By

S. D. Menist
S. D. MENIST, Vice-President

STATE OF CALIFORNIA,
CITY AND COUNTY OF SAN FRANCISCO

} ss.

On this 27th day of September, 19 67, before me personally came S. D. MENIST, to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of THE AMERICAN INSURANCE COMPANY, the Corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



Ethel L. Watkins

ETHEL L. WATKINS, Notary Public
My commission expires March 2, 1971.

CERTIFICATE

STATE OF CALIFORNIA,
CITY AND COUNTY OF SAN FRANCISCO

} ss.

I, the undersigned, Assistant Secretary of THE AMERICAN INSURANCE COMPANY, a NEW JERSEY Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VIII, Sections 30 and 31 of the By-laws of the Corporation, and the Resolution of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City and County of San Francisco. Dated the 16th day of June, 19 69.



Winifred H. Browne
WINIFRED H. BROWNE, Assistant Secretary

May 30, 1984

Ms. Gwen Riedel
Production Clerk
Monsanto Oil Company
5613 DTC Parkway, Suite 600
Englewood, Colorado 80111

Re: Monthly Producer's Report

Dear Gwen:

I am enclosing a copy of the Arizona Oil and Gas Conservation Commission's regulation covering Monthly Producers' Reports. You will note this regulation requires this report to be filed and received by this Commission on or before the 25th day of the month following the month in which the production occurred.

This deadline is required in order that I meet my deadline. My production report is to be mailed to our subscribers no later than the first of the month following the month in which the producers' reports are received.

When a producer's report is not received on time it makes it very difficult for me to meet my deadline without undue haste, thus increasing the margin for error. Therefore, I would very much appreciate your filing your reports in a more timely manner so they are received by this Commission on or before the required date.

Thank you for your cooperation.

Sincerely,

Sheila Burgan
Enforcement Section

Enclosure

WLS

Monsanto

RECEIVED

FEB 19 1980

D E B CONS. COMM.

LAW DEPARTMENT

Monsanto Company
800 N. Lindbergh Boulevard
St. Louis, Missouri 63166
Phone: (314) 694-1000

February 13, 1980

Oil and Gas Conservation Commission
State of Arizona
Phoenix, Arizona

Gentlemen:

Enclosed please find the Organization Report for Monsanto
Company.

Yours very truly,

Bette M. Buffa
Bette M. Buffa
Attorney

kr/K-37

115

ORGANIZATION REPORT

Full Name of the Company, Organization, or Individual

MONSANTO COMPANY

Post Office Address (Box or Street Address)

800 N. Lindbergh Blvd., St. Louis, MO. 63166

Plan of Organization (State whether organization is a corporation, joint stock association, firm or partnership, or individual)

Corporation

Purpose of Organization (State type of business in which engaged)

manufacture & sale worldwide of chemicals, fibers & hydrocarbon products

If a reorganization, give name and address of previous organization.

<p>If a foreign corporation, give (1) State where incorporated</p> <p>Delaware</p>	<p>(2) Name and post office address of state agent</p> <p>CT Corporation System 14 N. 18th Ave. Phoenix, Ariz. 85007</p>	<p>(3) Date of permit to do business in state</p> <p>Jan. 4, 1954</p>
<p>Principal Officers or Partners (If partnership) NAME</p>	<p>TITLE</p>	<p>POST OFFICE ADDRESS</p>
<p>see attached Exhibit</p>		

<p>DIRECTORS NAME</p>	<p>POST OFFICE ADDRESS</p>
<p>See Attached Exhibit</p>	

CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the Vice President of the Monsanto Company (company), and that I am authorized by said company to make this report, and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature Richard W. Duesenberg

Date

February 12, 1980

RECEIVED

FEB 19 1980

D & G CONS. COMM.

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Organization Report

File One Copy

Form No. 1

11/1/79

LIST OF DIRECTORS AND OFFICERS OF
MONSANTO COMPANY

DIRECTORS

<u>Name and Home Address</u>	<u>Business Address</u>
John W. Hanley Apt. 11-A 801 S. Skinker Blvd. St. Louis, Missouri 63105	800 North Lindbergh Blvd. St. Louis, Missouri 63166
H. Harold Bible 21 Clermont Lane St. Louis, Missouri 63124	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Edmond S. Bauer 610 High Hampton Rd. Ladue, Missouri 63124	Chairman, President and Chief Executive Officer Fisher Controls Corporation of Delaware 7711 Bonhomme Avenue Clayton, Missouri 63105
Donald C. Carroll (Dr.) 2400 Chestnut Street Apt. 2010 Philadelphia, Pennsylvania 19103	The Wharton School University of Pennsylvania 3620 Locust Walk Philadelphia, Pennsylvania 19174
C. Raymond Dahl 1170 Sacramento - Apt. 9D San Francisco, California 94108	Chairman of the Board Crown Zellerbach Corporation One Bush Street San Francisco, California 94119
Louis Fernandez (Dr.) 4944 Lindell Boulevard Apt. 8-W St. Louis, Missouri 63108	800 North Lindbergh Blvd. St. Louis, Missouri 63166
J. William Fisher 11934 Turtle Beach Road Lost Tree Village North Palm Beach, Florida 33408	Fisher Controls Company 205 S. Center Street Marshalltown, Iowa 50158
Richard I. Fricke 349 So. Willard Street Burlington, Vermont 05401	President and Chief Executive Officer National Life Insurance Co. National Life Drive Montpelier, Vermont 05602
James J. Kerley Apt. 14-A 816 S. Hanley Rd. St. Louis, Missouri 63105	800 North Lindbergh Blvd. St. Louis, Missouri 63166

1/7/80

-2-

DIRECTORS (Cont'd)

Name and Home Address

Business Address

Howard M. Love
1440 Bennington Avenue
Pittsburgh, Pennsylvania 15217

President
National Steel Corporation
2800 Grant Building
Pittsburgh, Pennsylvania 15219

Richard J. Mahoney
28 Upper Ladue Road
Ladue, Missouri 63124

800 North Lindbergh Blvd.
St. Louis Missouri 63166

Jean Mayer (Dr.)
President's House
Tufts University
Medford, Massachusetts 02155

President
Tufts University
Ballou Hall
Medford, Massachusetts 02155

Buck Mickel
415 Crescent Avenue
Greenville, South Carolina 29605

Daniel International Corporation
Daniel Bldg. - Main Street
Greenville, South Carolina 29602

Edward L. Palmer
Horseshoe Road
Mill Neck, New York 11765

Citibank, N.A.
399 Park Avenue
New York, New York 10043

Francis E. Reese
12914 Topping Estates No. Dr.
Town and Country, Missouri 63131

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Monte C. Throdahl
36 Briarcliff
St. Louis, Missouri 63124

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Margaret Bush Wilson
4200 Page Boulevard
St. Louis, Missouri 63113

Wilson, Smith and Smith
4054 Lindell Boulevard
St. Louis, Missouri 63108

11/1/79

-3-

OFFICERS

<u>Name and Home Address</u>		<u>Business Address</u>
John W. Hanley Apt. 11-A 801 S. Skinker Blvd. St. Louis, Missouri 63105	Chairman of the Board and President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
H. Harold Bible 21 Clermont Lane St. Louis, Missouri 63124	Vice Chairman of the Board	800 North Lindbergh Blvd. St. Louis, Missouri 63166
James J. Kerley Apt. 14-A 816 S. Hanley Rd. St. Louis, Missouri 63105	Chairman of the Finance Committee	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Louis Fernandez (Dr.) 4944 Lindell Boulevard St. Louis, Missouri 63108	Executive Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Richard J. Mahoney 28 Upper Ladue Road Ladue, Missouri 63124	Executive Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Francis E. Reese 12914 Topping Estates No. Dr. Town and Country, Missouri 63131	Senior Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Howard A. Schneiderman, (Dr.) Apt. 15D 900 S. Hanley Rd. St. Louis, Missouri 63105	Senior Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Monte C. Throdahl 36 Briarcliff St. Louis, Missouri 63124	Senior Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Robert E. Burke 9835 Northbridge Road St. Louis, Missouri 63124	Group Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
James E. Crawford, Jr. 18 Black Creek Lane St. Louis, Missouri 63124	Group Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166
C. Preston Cunningham 2418 Baxton Way Chesterfield, Missouri 63017	Group Vice President	800 North Lindbergh Blvd. St. Louis, Missouri 63166

1/25/80.

-4-

OFFICERS (Cont'd)

Name and Home Address

Business Address

Francis J. Fitzgerald
Drewe des Pins 36
B-1420 Braine l'Alleud, Belgium

Group
Vice President

Monsanto Europe SA
Avenue de Tervurin 270-272
B-1150 Brussels, Belgium

Earle H. Harbison, Jr.
12913 Topping Estates Dr.
St. Louis, Missouri 63131

Group
Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Nicholas L. Reding
#19 Bellerive County Club
Grounds
St. Louis, Missouri 63141

Group
Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Robert L. Berra
24 Muirfield Lane
St. Louis, Missouri 63141

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Leonard A. Cohn
1736 Kenmont Road
St. Louis, Missouri 63124

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Harold J. Corbett
1901 Gray
Des Peres, Missouri 63131

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Richard W. Duesenberg
9124 Glencrest Drive
St. Louis, Missouri 63126

Vice President
and
Secretary

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

S. Allen Heininger
357 Rue Renee
St. Louis, Missouri 63122

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Joseph T. Nolan (Dr.)
2316 Putter Lane
St. Louis, Missouri 63131

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Richard C. O'Sullivan
#26 Williamsburg Estates
St. Louis, Missouri 63131

Vice President-
Economic and
Financial Analysis

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Ernest S. Robson, Jr.
13511 Coliseum
Chesterfield, Missouri 63017

Vice President

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

Francis A. Stroble
7640 South Rock Hill
Grantwood, Missouri 63123

Vice President-
Finance

800 North Lindbergh Blvd.
St. Louis, Missouri 63166

11/1/79

-5-

OFFICERS (Cont'd)

<u>Name and Home Address</u>		<u>Business Address</u>
Michael F. Mee Breckenridge Inn 1335 South Lindbergh Blvd. St. Louis, Missouri 63131	Controller	800 North Lindbergh Blvd. St. Louis, Missouri 63166
John A. Rolls 6 Brookside Lane St. Louis, Missouri 63124	Treasurer	800 North Lindbergh Blvd. St. Louis, Missouri 63166
B. Clare Harris 22 Deer Creek Woods St. Louis, Missouri 63124	Asst. Controller	800 North Lindbergh Blvd. St. Louis, Missouri 63166
William W. Teeple 13573 Featherstone St. Louis, Missouri 63131	Asst. Controller	800 North Lindbergh Blvd. St. Louis, Missouri 63166
J. Russell Bley, Jr. 51 Tealwood St. Louis, Missouri 63141	Asst. Secretary	800 North Lindbergh Blvd. St. Louis, Missouri 63166
J. Ray Farmer 9798 Sherrill Court Rock Hill, Missouri 63119	Asst. Secretary	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Rodney Harris 1250 Lay Road St. Louis, Missouri 63124	Asst. Secretary	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Charles A. Arman 380 Statesman Court Chesterfield, Missouri 63017	Asst. Treasurer	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Vincent M. Jones 13637 Armstead Drive St. Louis, Missouri 63131	Asst. Treasurer	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Steven G. Klein 344 Dinsmoor Drive Chesterfield, Missouri 63017	Asst. Treasurer	800 North Lindbergh Blvd. St. Louis, Missouri 63166
Walter R. Mulhall 715 Briar Fork Road St. Louis, Missouri 63131	Asst. Treasurer	800 North Lindbergh Blvd. St. Louis, Missouri 63166

2/79

-6-

OFFICERS (Cont'd)

Name and Home Address

Thomas M. Rasmussen
117 Frontenac Forest
Frontenac, Missouri 63131

Alwyn E. Wolfarth
59 Briarcliff
St. Louis, Missouri 63124

Asst. Treasurer

Asst. Treasurer

Business Address

800 North Lindberg Blvd.
St. Louis, Missouri 63166

800 North Lindbergh Blvd.
St. Louis, Missouri 63166



OFFICE OF

Oil and Gas Conservation Commission

STATE OF ARIZONA

~~XXXXXXXXXXXX~~
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

8686 N. Central, Suite 106
Phoenix, Arizona 85020

April 28, 1975

Mr. E. M. Scholl
Monsanto Company
Production Department
321 West Texas
Midland, Texas 79701

new address

Re: Navajo Tract 138-1
NE/NE Sec 11-T40N-R26E
Apache Co., Permit #77

Navajo Tract 138-3
SW/SE Sec 2-T40N-R28E
Apache Co., Permit #115

Dear Mr. Scholl:

Our records indicate that Permian Corporation is presently the carrier of oil produced on the above referenced wells. On a recent inspection trip we noticed that Thrift Way of Farmington, New Mexico, was receiving the oil from your tank battery. If this is a new carrier, it will be necessary that you file Form 8, Operator's Certificate of Compliance and Authorization to Transport Oil or Gas from Lease, for this lease. Copies of this form are enclosed.

If Thrift Way was only a temporary carrier and Permian is still your regular carrier, the filing of this form will not be necessary. At any rate, please advise us of the true carrier.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

Encs.

WA

Monsanto

Monsanto Company
Production Department
321 West Texas
Midland, Texas 79701
Phone: (915) 683-3306

October 29, 1974

Oil & Gas Conservation Commission
State of Arizona
4515 North 7th Ave.
Phoenix, Arizona 85013

Attn: Mr. W. E. Allen, Director
Enforcement Section

RE: Navajo Tract 138
Apache County, Arizona

Dear Mr. Allen:

We have been searching the files and find no individual well production records of the former operator. Evidently, only lease production was kept during that period. We do have individual well production since 1959. Copies are attached. *For copies see production well file # 115.*

Please let us know if we can help in compiling any data you may need. Sorry about the delay in answering your letter.

Yours very truly,

E. M. Scholl
E. M. Scholl
Dist. Prod. Mgr.

EMS:mm

Encl.

RECEIVED

OCT 31 1974

O & G CONS. COMM.

September 13, 1974

Mr. E. M. Scholl
Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Re: Monsanto Navajo Tract 138-1
NE/NE Sec 11-T40N-R28E
Apache County
Permit No. 77

Monsanto Navajo Tract 138-2
SW/NW Sec 12-T40N-R28E
Apache County
Permit No. 106

Monsanto Navajo #138-3
SW/SE Sec 2-T40N-R28E
Apache County
Permit (115)

Dear Mr. Scholl:

We are attempting to compile all time cumulative production reports on all wells that have produced oil and/or gas in the State of Arizona.

It would be appreciated if you would furnish this office individual well production for the above referenced wells from completion date to December 1960. The production reports as submitted by the former operator was on a lease basis only. This office has no way to determine the well production.

Please send us this information at your earliest convenience.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

October 15, 1973

Mr. E. M. Scholl
Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Re: Monsanto Navajo Tract 138-1
NE/NE Sec 11-T40N-R28E
Apache County
Permit No. 77

Monsanto Navajo Tract 138-2
SW/NW Sec 12-T40N-R28E
Apache County
Permit No. 106

Monsanto Navajo #138-3
SW/SE Sec 2-T40N-R28E
Apache County
Permit No. (115)

Dear Mr. Scholl:

The Gas-Oil Ratio Test that is due on the above referenced wells for September of 1973 has not been received.

Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

Mrs. Rhema Brandt
Sec to W. E. Allen

/rlb

Enc.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

September 18, 1973

Mr. E. M. Scholl
Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Dear Mr. Scholl:

Will you please supply this Commission with any information that you might have regarding the recoverable reserves in the Dry Mesa Field for your Navajo #138-1 (77), Navajo #138-2 (106), and Navajo #138-3 (115)?

This information will be considered confidential if you so desire.

Thank you for your cooperation.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

December 27, 1972

Mr. Donnie E. Brown
District Engineer
Monsanto Company
101 North Marienfeld
Midland, Texas 79701

Re: Monsanto Navajo Tract 138-1
NE/NE Sec 11-T40N-R2SE
Apache County
Permit No. 77

Monsanto Navajo Tract 138-2
SW/NW Sec 12-T40N-R2SE
Apache County
Permit No. 106

Monsanto Navajo Tract 138-3
SW/SE Sec 2-T40N-R28E
Apache County
Permit No. 115

Dear Mr. Brown:

The Gas-Oil Ratio Test that is due on the above referenced wells for September of 1972 has not been received. Please submit the results of the test on Form 5 as quickly as possible.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

*Address corresp to E. M. Scholl
not Donnie E. Brown*

X-Chloro
X-Lambert

July 7, 1969

Mr. Claude Cobb
The Permian Corporation
1509 West Wall
P. O. Box 3119
Midland, Texas 79701

Re: Monsanto Company 138-3
T40N, R28E, G & SRM
Sec. 2: SW/4 SE/4
Apache County
Permit #119
(Texas Pacific Navajo 138-3)

Monsanto Company 138-1
T40N, R28E, G & SRM
Sec. 11: NE/4 NE/4
Apache County
Permit #77 X
(Texas Pacific Navajo 1)

Dear Mr. Cobb:

Monsanto Company reports that they delivered you 2897 barrels oil from the captioned wells per their Monthly Producers Report for May, 1969. Your Transporters and Storers Monthly Report indicates that you received 2556 barrels oil from the referenced wells. Please confirm the accuracy of your report or issue a corrected report should need be indicated.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:mf

X-Lambert
X-Chrono

June 24, 1969

Miss Betsy L. Smith
Monsanto Company
Suite 1102 Lincoln Tower
1860 Lincoln Street
Denver, Colorado 80203

Re: Texas Pacific 138-1 Navajo
T40N, R28E, G & SRM
Sec. 11: NE/4 NE/4
Apache County
Permit #77 X

Texas Pacific 138-3 Navajo
T40N, R28E, G & SRM
Sec. 2: SW/4 SE/4
Apache County
Permit #115 X

Texas Pacific 138-2 Navajo
T40N, R28E, G & SRM
Sec. 12: SW/4 NW/4
Apache County
Permit #106 X

Monsanto #1 Navajo 717
T39N, R28E, G & SRM
Sec. 1: SE/4 SE/4
Apache County
Permit #503 X

Dear Miss Smith:

Enclosed is an approved copy of your state-wide Performance Bond No. 3,286,165. This bond now covers the captioned wells and will cover any future wells you may drill. Thank you for your cooperation.

Yours truly,

James A. Lambert
Administrative Assistant

jf
Enc.

Monsanto

HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
Suite 1102 Lincoln Tower
1880 Lincoln Street
Denver, Colorado 80203
(303) AComs 2-5841

June 19, 1969

Mr. James A. Lambert
Oil and Gas Conservation Commission
State of Arizona
Room 202
1624 West Adams
Phoenix, Arizona 85007

138-3
Re: Texas Pacific #128-2 Navajo
SW, NW, Section 12-40N-28E
Apache County
Permit #106

Dear Mr. Lambert:

Pursuant to our previous correspondence we are enclosing copies of designation of operator forms from Joseph E. Seagram & Sons, Inc. and Sun Oil Company which were executed at the time our company assumed operation of the Navajo lease on which the above well is located.

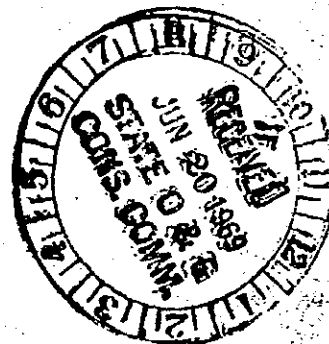
We have not yet received the \$25,000 drilling bond but anticipate its arrival from our insurance department within the next few days.

Very truly yours,

MONSANTO COMPANY

Betsy L. Smith
(Miss) Betsy L. Smith

BLS:glr
Enclosures



106, 77, 115

X-Chelono
X-Lambert

May 26, 1969

Mr. J. Murphy, Jr.
Monsanto Company
Suite 1102 Lincoln Tower
1860 Lincoln Street
Denver, Colorado 80203

Mr. Rod Fulson
The Permian Corporation
1509 West Wall
P. O. Box 3119
Midland, Texas 79701

Re: Monsanto Company 138-3
T40N, R28E, G & SRM
Sec. 2: SW/4 SE/4
Apache County
Texas Pacific Navajo 138-3
Permit #115

Monsanto Company 138-1
T40N, R28E, G & SRM
Sec. 11: NE/4 NE/4
Apache County
Texas Pacific Navajo 1
Permit #77 X

Gentlemen:

Enclosed are copies of the Monthly Producers Report for April and a copy of the Transporter's Report for April. We note a discrepancy in these reports. In prior months they have been almost exact. Please let us hear your comments.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

X-Lambert
X-Chrono

May 22, 1969

Mr. J. Murphy, Jr.
Monsanto Company
Suite 1102 Lincoln Tower
1860 Lincoln Street
Denver, Colorado 80203

Re: Texas Pacific Oil Company Navajo #138-2
T40N, R28E, G & SEM
Sec. 12: SW/4 NW/4
Apache County
Permit #106 X

77X

Dear Mr. Murphy:

The captioned well is covered by a blanket bond wherein the Joseph E. Seagram & Sons, Incorporated, are Principal, and the Travelers Indemnity Company is Surety. We have correspondence indicating that the Texas Pacific Oil Company is covered by this bond. We need a completed form, Designation of Operator, naming Monsanto as operator. We need a statement, Consent of Surety, between the Principal and the Surety covering Monsanto's operations of the lease (Navajo #138).

Our most recent Organization Report concerning the Monsanto Company is dated April, 1965. Please furnish us a current report.

Enclosed are Applications For Permit To Re-Enter. Please complete these forms. On approval of this Application To Re-Enter, you will become subject to Rule 105-D as amended by Commission Order No. 32 effective May 15, 1968, which states (we enclose a copy of the amended Rules and Regulations for your convenience).

Page 2
Mr. J. Murphy, Jr.
May 22, 1969

Our cursory appraisal of the situation indicates that it will be very easy for you to fulfill this Order No. 32 as there should be no apparent objection to this unorthodox location for a gas well from a nearby operator.

At such time as you wish to re-complete the #138-1 or the #138-3, you should follow the same general procedure. At the present time these two wells are classified as oil wells. -77 -115

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

P. S. The \$25 filing fee is not required with the Permit To Re-Enter.

115

Monsanto

HYDROCARBONS & POLYMERS DIVISION

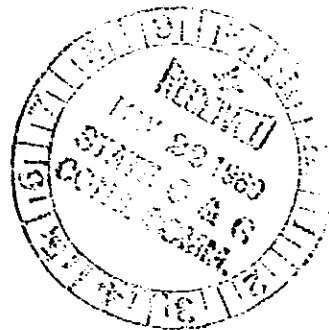
Monsanto Company
Suite 1102 Lincoln Tower
1860 Lincoln Street
Denver, Colorado 80203
(303) ACome 2-5641

May 21, 1969

Oil & Gas Conservation Commission
State of Arizona
1124 West Adams - Room 202
Phoenix, Arizona 85007

Attention: Mr. John Pennister
Executive Secretary

Re: Recomplete
Monsanto Navajo 138-2
SW 1/4 Sec. 12, T40N, R28E
Dry Mesa Field
Apache County, Arizona



Gentlemen:

Monsanto Company respectfully requests permission to recomplete and test the Paradox zone from 1058'-90' in the Navajo 138-2 located 1980' F.W.L. and 650' F.W.L. Sec. 12, T40N, R28E.

This well was temporarily abandoned in 1952 as an uneconomic Mississippi well. Proposed recompletion is to set a bridge plug above the Mississippi perforations and perforate the Paradox zone. Tests will be conducted to determine gas reserves and flow rates. During this test period, gas will be flared. After the test period gas will be used as house fuel for the remaining two wells. If reserves are sufficient, attempts will be made to find a market for this gas.

Before commencing this test, we would like to obtain approval for Navajo 138-2 as a permitted gas well. Please advise if this exception to Rule 105 can be administratively granted. If not, please accept this letter as our application for hearing. Attached is a plat of the area.

At a later date, it may be necessary to dually complete wells No. 1 & 3, if reserves warrant. Monsanto Company would also request, at this time, that these wells be permitted gas well locations with 640 acres dedicated to each well.

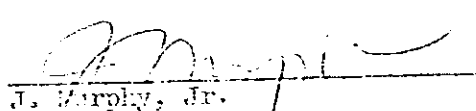
-77-115

OIL & Gas Conservation Commission
State of Arizona
Page 2
May 21, 1969

Attached is a Form 9, which we are submitting to the USGS. Please send
us a supply of Form 25.

Very truly yours,

MONSANTO COMPANY


J. Murphy, Jr.

JM:rp

Attachments

cc: Attn: Mr. P. T. McGrath
U.S. Geological Survey
P. O. Box 959
Farmington, New Mexico

X-Chrono
X-Lambert

April 17, 1969

Mr. Rod Fulson
The Permian Corporation
1509 West Wall
P. O. Box 3119
Midland, Texas 79701

Re: Monsanto Company 138-3
T40N, R28E, G & SRM
Sec. 2: SW/4 SE/4
Apache County, Arizona
Texas Pacific Navajo 138-3
Permit #115

Monsanto Company 138-1
T40N, R28E, G & SRM
Sec. 11: NE/4 NE/4
Apache County, Arizona
Permit #77 X
Texas Pacific Navajo 1

Dear Mr. Fulson:

Enclosed is a copy of your Transporter's Report covering the month of December, 1968. Enclosed also is a copy of a letter we received from Monsanto.

Please review this situation and submit a corrected Transporter's Report for December, 1968, should the facts indicate that the report you submitted be in error.

Yours truly,

James A. Lambert
Administrative Assistant
JAL:jf

Enc.

Recd 4/23/69

Monsanto

HYDROCARBONS & POLYMERS DIVISION

Monsanto Company
Suite 1102 Lincoln Tower
1860 Lincoln Street
Denver, Colorado 80203
(303) AComa 2-5641

April 1, 1969

Oil & Gas Conservation Commission
State of Arizona
1624 West Adams
Phoenix, Arizona 85007

Attention: Mr. James A. Lambert

Re: Monsanto Company 138-1 & 138-3
Permit No. 77 & 115
Apache County, Arizona

Gentlemen:

9⁴
In response to your letter of March 25, 1969, concerning discrepancies in producers and transporters reports on above properties for months of December 1968, and February 1969, please be advised we have rechecked our reports and have determined the following.

December 1968, according to data available to us, is correct as reported on the producers report. A schedule is attached listing all runs we have on record by date, ticket no., tank no., and volume of run.

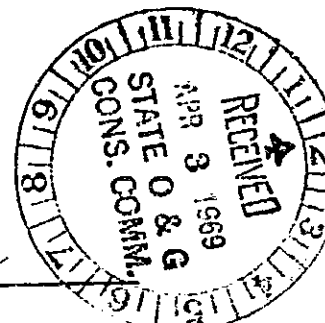
February 1969, producers report is in error as a result of transposing numbers. A corrected report is being resubmitted which concurs with runs as recorded by transporter.

By carbon copy of this letter and schedule of December 1968 and February 1969 runs, the Permian Corporation is being requested to coordinate their data with ours and advise us of any existing discrepancies.

Very truly yours,

MONSANTO COMPANY

J. Murphy, Jr.
J. Murphy, Jr.



JM:rp

cc: The Permian Corporation
P. O. Box 3119
Midland, Texas 79701

115

115
77

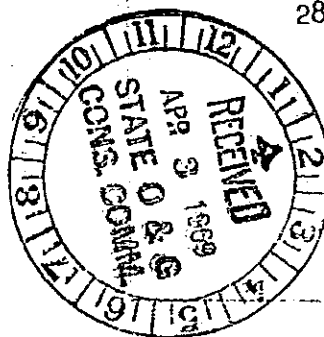
Recd
4/16/69

MONSANTO COMPANY

RUN TICKETS FOR DECEMBER AND FEBRUARY

DRY MESA
NAVAJO TRACT # 138

December	Ticket number	Tank number	est. barrels *
10	800907	2920	220.99
10	800909	2921	221.37
10	800908	8333	220.66
10	801938	2923	222.23
24	800910	8332	221.20
24	801939	2922	220.84
26	800912	8334	221.01
26	800911	8333	220.97
27	800913	2921	217.45
			1986.72 7L
February			
6	801942	2922	220.58
7	801853	8333	221.04
7	801854	8332	221.26
7	801855	2921	221.02
17	801856	2920	220.43
17	801859	8334	220.78
18	801857	2921	220.36
20	800925	2923	220.39
20	801858	8332	220.70
27	801864	8333	220.06 *
27	801866	2921	220.14 *
27	801865	2920	219.70 *
28	801863	2922	220.10 *
			2866.56 Total 7L





THE PERMIAN CORPORATION

1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79701

915-683-4711

March 28, 1969

Mr. James A. Lambert
Administrative Assistant
Oil and Gas Conservation Commission
State of Arizona
1624 West Adams
Phoenix, Arizona 85007

Dear Sir:

4^u Please refer to your letter dated March 25, 1969, concerning purchases and sales from Monsanto Company's Texas Pacific Navajo 138-3, Permit No. 115 and Texas Pacific Navajo 1, Permit No. 77. We have rechecked the source of our figures reported on these two leases and can find no reason for altering reports submitted.

By copy of this letter we are asking Monsanto Company to advise us how they arrived at their figures, should they find that their figures are correct according to their run tickets.

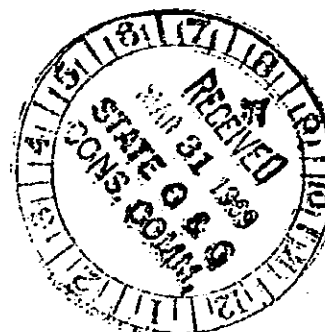
Very truly yours,

THE PERMIAN CORPORATION

Rod Fulsom
Proration Supervisor

RF/pl

cc: Monsanto Company
Suite 1102 Lincoln Tower Building
Denver, Colorado 80203



X-Cheno Log
X-Lambert Log

March 25, 1969

Monsanto Company
Suite 1102 Lincoln Tower Building
Denver, Colorado 80203

The Permian Corporation
P. O. Box 3119
Midland, Texas 79701

Re: Monsanto Company 138-3
T40N, R26E, G & SRM
Sec. 2: SW/4 SE/4
Apache County, Arizona
Texas Pacific Navajo 138-3
Permit #115

Monsanto Company 138-1
T40N, R26E, G & SRM
Sec. 11: NE/4 NE/4
Apache County, Arizona
Texas Pacific Navajo 1
Permit #77 X

Gentlemen:

Enclosed are copies of the Monthly Producers Reports for December and February and a copy of the Transportor's Report for December and February. We note a discrepancy in these reports. In prior months they have been almost exact. Please let us hear your comments.

Yours truly,

James A. Lambert
Administrative Assistant

JAL:jf

Enc.

March 3, 1969

Monsanto Company
Suite 1102 Lincoln Tower Building
Denver, Colorado 80203

Re: Monsanto Company 138-1	Monsanto Company 138-1
T40N, R28E, G & SRM	T40N, R28E, G & SRM
Sec. 2: SE/4 SE/4	Sec. 11: NE/4 NE/4
Apache County, Arizona	Apache County, Arizona
Permit #116	Permit #77

Gentlemen:

We remind you that Rule 301 A, Paragraph 2, of our Rules and Regulations directs the operator to take a semi-annual Gas-Oil Ratio Test of each producing oil well. The next test should be taken in March, 1969, and reported to this office by April 10, 1969.

Enclosed are forms for your use.

Yours truly,

James A. Lambert
Administrative Assistant

Jf
Enc.

OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1824 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

April 23, 1968

Monsanto Company
990 Patterson Building
Denver, Colorado 80202

Re: D-2-67 of September 11, 1967
Gas-Oil Ratio Test (Rule 301)

Gentlemen:

According to our records, the data indicated below has not been submitted as called for by our rules and regulations. You are urged to submit this data at once to bring this operation into compliance with the rules and regulations.'

<u>Well</u>	<u>Data</u>
Texas Pacific #1-138 NE NE 11-40N-28E Apache County Permit 77	GOR due April 10, 1968
Texas Pacific #3-138 SW SW 2-40N-28E Apache County Permit 115	GOR due April 10, 1968

Very truly yours,

John Bannister
Executive Secretary
mr

115

COMPANY

HYDROCARBONS & POLYMERS DIVISION

800 Ramoan Building
Denver, Colorado 80202
(303) 400-2143

January 18, 1966

Arizona Oil & Gas Conservation Commission
Room 202, 1624 West Adams

Attention: Mr. John Bannister
Executive Secretary

Re: Texas Pacific Oil #138-1 Navajo well
NE/4 NE/4 Sec. 11, T40N, R28E, Apache
County, Arizona. Your File 77.

Texas Pacific Oil #138-3 Navajo well
SW/4 SE/4 Sec. 2, T40N, R28E, Apache
County, Arizona. Your File 115.

Gentlemen:

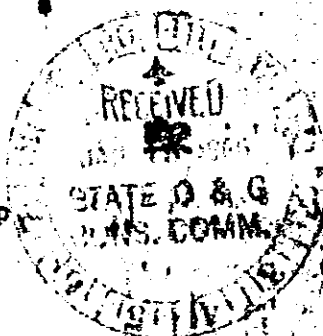
In reply to your letter of January 13, 1966, concerning disposition of oil from Navajo 138-1 and 138-3 wells in Apache County, Arizona, please be advised McWood Corporation is the authorized oil transporter. Mr. Byron Self of McWood Corporation's Abilene office advised the transporters and storers monthly report has been filed monthly with the Arizona Commission through December, 1965. December reports shows 397 BO transported from the No. 1 well and 1773 BO from the No. 3 well.

Very truly yours,

McWood Corporation

E. W. Scholl

115



January 13, 1966

Monsanto Company
900 Patterson Building
Denver, Colorado 80202

Attention: Mr. J. Murphy, Jr.
District Production Superintendent

Re: Texas Pacific Oil #138-1 Navajo well
NE/4NE/4 11-40N-28E, Apache County, Arizona
Our File 77

Texas Pacific Oil #138-3 Navajo well
SW/4SE/4 2-40N-28E, Apache County, Arizona
Our File 115

Gentlemen:

In reviewing our records we note that, according to the Certificate of Compliance and Authorization to Transport Oil or Gas from Lease on file with this Commission covering the oil produced from captioned wells, that McWood Corporation is the authorized transporter. However, McWood Corporation is not reporting receipt of the product on their Transporters and Storers Monthly Report.

At your earliest convenience, would you please advise this Commission as to the disposition of the oil produced from these wells.

Very truly yours,

John Bannister
Executive Secretary
mr

11/5

Operator Texas Pacific Oil Company

Bond Company The Travelers Indemnity Company Amount \$10,000

Bond No. 1230121 Date Approved 10-2-64

Permits covered by this bond:

77

95

106

115

116

see this file

CANCELLED

DATE 11-29-65

115

November 29, 1965

Texas Pacific Oil Company
P.O. Box 747
Dallas Texas 75221

Attention: Mr. Raymond Church

Re: The Travelers Indemnity Company Bond 1307271

The Travelers Indemnity Company Bond 1230121

Gentlemen:

Enclosed is an approved copy of The Travelers Indemnity Company
Bond 1307271.

Inasmuch as this above bond is now in full force and effect,
this letter will constitute authority from this Commission to
terminate The Travelers Indemnity Company Bond 1230121.

Your cooperation is very much appreciated.

Very truly yours,

John Bannister
Executive Secretary
mr
enc

cc:
The Travelers Indemnity Company
2200 N. Central Avenue
Phoenix, Arizona 85004

March 13, 1963

Texas Pacific Oil Company
P.O. Box 747
Dallas, Texas 75221

Attention: Mr. W. Clayton May, Attorney

Gentlemen:

Our files reflect that Texas Pacific Coal & Oil Company was liquidated effective November 1, 1963, and the assets were purchased by Texas Pacific Oil Company, an operating division of Joseph E. Seagram & Sons, Inc.

In order that our well records be accurate and current, in accordance with Arizona Statutes, it is requested that the enclosed form, Organization Report, be completed and returned to this office.

Thank you very much for your cooperation.

Yours very truly,

John Bannister
Executive Secretary

WJ

Files: 77-95-106-115-116

115

October 9, 1964

Texas Pacific Oil Company
P.O. Box 747
Dallas, Texas 75221

Attention: Mr. H. Clayton May

Re: Oil and Gas Bond No. SY 281201

Gentlemen:

We are in receipt of your letter of October 8, 1964 whereby Travelers Indemnity Company's Bond 1230121 was enclosed and is to replace the captioned bond.

This letter will constitute authority to cancel Bond SY-281201.

We appreciate your cooperation in this matter, and if we may be of further service, please advise.

Yours very truly,

John Bannister
Executive Secretary

nr

enc: 2 approved copies Form 2, Bond

cc to File 77, 95, 106, 115, 116

Travelers Indemnity Company's Bond 1230121 is issued to the Principal, Joseph E. Seagram & Sons, Inc. Texas Pacific Oil Company is a subsidiary of Seagram and their wells are covered by this bond. This bond replaces SY-281201 which was issued to Texas Pacific Coal and Gas Oil Company. This latter company is now consolidated into Texas Pacific Company.

115

TEXAS PACIFIC OIL COMPANY

BOX 747
DALLAS, TEXAS 75221

October 8, 1964

RIVERSIDE 1-2000

STOC FINELITY UNION TOWER ELDO.

Oil and Gas Conservation Commission
State of Arizona
1604 West Adams
Phoenix, Arizona 85007

Attn: Mr. John Bannister
Executive Secretary

Re: Oil and Gas Bond No. SY-281201
Replacement Bond No. 1230121

Gentlemen:

Reference is made to your letter dated August 26, 1964, concerning the release of Bond No. SY-281201 now in effect under the name of Texas Pacific Coal and Oil Company.

We are enclosing herewith in triplicate, the Travelers Indemnity Company's Bond No. 1230121 in the amount of \$10,000.00 covering, as principal, Joseph E. Seagram & Sons, Inc., whose operating division is Texas Pacific Oil Company. It is our understanding that you will now be in a position to release Bond No. SY-281201, as requested by Texas Pacific Coal and Oil Company.

Your cooperation in this matter will be sincerely appreciated.

Very truly yours,

H. Clayton May
H. Clayton May
Attorney

NM:sp
encl.

cc: Mr. C. W. Dodgen, Jr.
Mr. Ray Mitchell
Mr. Jess Norman
Texas Pacific Coal and Oil Company
Fort Worth Office

77, 95, 106, 115, 116

September 17, 1964

**The Employers' Group of Insurance Companies
212 W. St. Paul
Dallas 1, Texas**

Attention: Mr. Bruce Harris, Bond Department

**Re: SY-291201
Texas Pacific Coal and Oil Co.
\$10,000 Blanket Bond**

Gentlemen:

In reply to your letter of September 14, 1964 concerning the captioned bond please be advised that this office has not yet received a bond on behalf of Texas Pacific Oil Company and consequently the bond in question cannot be released at this time.

Yours very truly,

**John Sennister
Executive Secretary**

ms

**Permit 77
93
104
115
116**

Ltr of Sep. 14, 1964 included in File 77

115

RECEIVED

August 26, 1944

VIA AIR MAIL

Mr. Miles Hart
Texas Pacific Oil Company
P. O. Box 2110
Fort Worth, Texas

Dear Mr. Hart:

Enclosed are the bond forms you requested in telephone conversation today with this office.

Upon receipt of proper bond showing your company as principal, this Commission will then be in a position to release Bond No. SY-281261 now in effect under the name of Texas Pacific Coal & Oil Company covering the following wells:

Nevado Tribal 134-1	Permit No. 77
Nevado Tribal 134-2	Permit No. 106
Nevado Tribal 134-3	Permit No. 115
Nevado Tribal 134-4	Permit No. 116
Nevado Tribal 134-1	Permit No. 95

We appreciate your prompt cooperation.

Very truly yours,

John Bonister
Executive Secretary

JH/mks
Encl.

File: 77
106
115
116
95
Bond File

115

August 20, 1964

The Employers' Group of Insurance Companies
212 N. St. Paul
Dallas 1, Texas

Attn: Miss C. Hall, Bond Department

Re: Texas Pacific Coal & Oil Co.
\$10,000 blanket bond SY 281201

Gentlemen:

We are in receipt of your letter of August 17, 1964 requesting release of the captioned bond.

Please be advised that this bond may not be released at this time inasmuch as this bond does cover producing wells.

At such time as Texas Pacific Oil Company, which you advise is to be successor to Texas Pacific Coal and Oil Co., furnishes us with a substitute bond, then may the captioned bond be released.

Currently the below listed wells are covered by the bond in question:

Navajo Tribal	138-1	Permit 77
Navajo Tribal	138-2	106
Navajo Tribal	138-3	115
Navajo Tribal	138-4	116
Navajo Tribal	190-1	93

If we may be of any further help, please advise.

Yours very truly,

John Bannister
Executive Secretary

BT

cc: Texas Pacific Coal and Oil Co.
P.O. Box 2110
Fort Worth 1, Texas

The Employers' Group
OF INSURANCE COMPANIES

SOUTHWESTERN BRANCH
SIDNEY J. GIBSON, MANAGER
212 N. ST. PAUL, DALLAS 1, TEXAS

STATE OF ARIZONA
CONS. COM.
The Employers' Liability Insurance Company
The American Employers' Insurance Company
The Employers' Fire Insurance Company
The Southern Insurance Company of America
The Employers' Life Insurance Company of America

State Land Commissioner
State of Arizona
Phoenix, Arizona

August 17, 1964

RE: SY-281201 - TEXAS PACIFIC COAL & OIL COMPANY
\$10,000.00 BLANKET OIL & GAS LEASE BOND
COVERING ALL LANDS LEASED TO PRINCIPAL WITHIN
THE STATE OF ARIZONA

Gentlemen:

Your records will reflect that we are the Surety regarding the captioned bond executed effective on or about August 10, 1959. The Texas Pacific Coal & Oil Company have requested that we cancel this bond inasmuch as the company was liquidated effective November 1, 1963, and the company purchasing the assets is known as Texas Pacific Oil Company.

Such being the case, we would like to close our file and would appreciate your sending direct to this office a letter of release giving us the date our liability may be terminated.

Thank you in advance for your kind assistance in this matter.

Yours very truly,

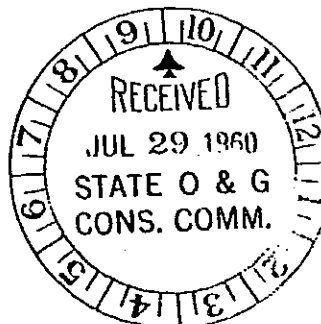
Miss C. Hall
Bond Department

CH:jm
cc: The Surety Company
Fort Worth, Texas

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES
FORT WORTH 1
TEXAS

June 27, 1960



Re: Texas Pacific Coal and Oil Company
Navajo Tract 138 Well No. 3,
Section 2-4ON-28E, Apache County,
Arizona. Drilling Permit No. 115

Oil and Gas Conservation Commission
State of Arizona
3500 North Central Avenue, Suite 312
Phoenix, Arizona

Gentlemen:

Enclosed herewith are the following listed forms and reports
for completion of the above well.

1. Form O&G 52
2. Form O&G 57
3. Location Plat
4. Log of cores and drill stem tests

Copies of logs and surveys have already been furnished by our
Denver office.

Yours very truly,

TEXAS PACIFIC COAL AND OIL COMPANY
By

[Signature]
Manager of Production

DAB:D:DK

May 12, 1960

**Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth 1, Texas**

**Attention - Mr. D. A. Bonney
Manager of Production**

Gentlemen:

**We return herewith your Applications for
Permits to Drill, Navajo Tract 138 Wells Nos. 3 and 4,
which have been approved, and receipts for your two
checks in the amount of \$25.00 each, in payment of
Drilling Permits Nos. 115 and 116 on the above Wells.**

Very truly yours,

**W. F. Maule
Petr. Engr.**

**WFM:sk
Encs.**

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES
FORT WORTH 1
TEXAS

May 6, 1960

Oil and Gas Conservation Commission
State of Arizona
3500 North Central Avenue, Suite 312
Phoenix, Arizona

Gentlemen:

We are filing herewith Form P-1, Application for
Permit to Drill a well to be known as Navajo Tract 138 Well
No. 3, Apache County, Arizona.

We are also enclosing our check No. 441019 for filing
fee.

If anything further is needed, please advise.

Yours very truly,

By **TEXAS PACIFIC COAL AND OIL COMPANY**

[Signature]
Manager of Production

DAB:D:DK

V15